

REGISTERED COMPANY NUMBER: 00355737 (England and Wales)
REGISTERED CHARITY NUMBER: 250851

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM

**NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM**

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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**NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the charity are:

Sharing the ideals and assisting the efforts of the Bahá'ís to establish, uphold and promote the spiritual, educational and humanitarian teachings of human brotherhood, radiant faith, exalted character and selfless love revealed in the lives and utterances of all the Prophets and Messengers of God, Founders of the world's revealed religions, and given renewed creative energy and universal application to the conditions of this age in the life and utterances of Bahá'u'lláh.

To administer the affairs of the faith of Bahá'u'lláh for the benefit of the Bahá'ís of the United Kingdom and the wider community according to the principles of the Bahá'í Faith, created and established by Bahá'u'lláh, defined and explained by 'Abdu'l-Bahá, interpreted and amplified by Shoghi Effendi, and supplemented and applied by the Universal House of Justice, which Bahá'u'lláh described in His Writings as the supreme body of the Bahá'í religion.

Over the past 25 years, the worldwide Bahá'í community had embarked on a series of plans, directed by the Universal House of Justice. A particular focus had been to raise the capacity of individuals to contribute to the spiritual, material and social advancement of their communities and to create a just and prosperous society. In this connection much focus had been given to developing a training institute with a sequence of courses that aims to build the needed capacities in individuals to carry out the many tasks that such an enterprise entails. In 2022, the community has embarked on a new series of plans, the first of these, a Nine-Year Plan launched on 21 April with a series of conferences across the United Kingdom drawing on the experience of the last 25 years and focused on Building Vibrant Communities.

PUBLIC BENEFIT

The trustees have had regard to the guidance issued by the Charity Commission and are satisfied that the charity is for public benefit. Its primary objective is the advancement of religion and its current activities, such as its study circles, devotional meetings, classes for the spiritual education of children, programme for the spiritual empowerment of junior-youth, youth and other activities contribute to the spiritual and social development of communities and are open to all.

**NATIONAL SPIRITUAL ASSEMBLY OF THE
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**REPORT OF THE TRUSTEES
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ACHIEVEMENT AND PERFORMANCE

While the global health pandemic radically altered the environment within which the Bahá'ís engaged in their efforts, there was not one moment when the community was without the guidance of the Universal House of Justice. An example of the guidance was the following which was received just a few days prior to the UK going into lockdown on 23 March 2020, Naw-Rúz 177:

At a time of another crisis, 'Abdu'l-Bahá offered these words of counsel: "In a day such as this, when the tempests of trials and tribulations have encompassed the world, and fear and trembling have agitated the planet, ye must rise above the horizon of firmness and steadfastness with illumined faces and radiant brows in such wise that, God willing, the gloom of fear and consternation may be entirely obliterated, and the light of assurance may dawn above the manifest horizon and shine resplendently." The world stands more and more in need of the hope and the strength of spirit that faith imparts. Beloved friends, you have of course long been occupied with the work of nurturing within groups of souls precisely the attributes that are required at this time: unity and fellow feeling, knowledge and understanding, a spirit of collective worship and common endeavour. Indeed, we have been struck by how efforts to reinforce these attributes have made communities especially resilient, even when faced with conditions that have necessarily limited their activities. Though having to adapt to new circumstances, the believers have used creative means to strengthen bonds of friendship, and to foster among themselves and those known to them spiritual consciousness and qualities of tranquillity, confidence, and reliance on God. The elevated conversations that have occurred as a result, whether remotely or in person, have been a source of comfort and inspiration to many. Such efforts on your part provide a valuable service at this hour when many souls are perplexed and dismayed, unsure of what will be. However difficult matters are at present, and however close to the limits of their endurance some sections of societies are brought, humanity will ultimately pass through this ordeal, and it will emerge on the other side with greater insight and with a deeper appreciation of its inherent oneness and interdependence.

OBJECTIVES OF THE NINE YEAR PLAN

The objective of the Nine Year Plan which ends in April 2031 is for 22% of all clusters (5,000 out of 22,000 clusters worldwide) to pass the 3rd milestone. The House of Justice has said that these aspirations will entail colossal effort in all years of the Plan, and that they are ambitious, yet are a serious appraisal of what lies ahead.

In the United Kingdom, the institutions have set a goal of 75% of all the clusters (40 out of 52 clusters) within our jurisdiction.

To achieve this ambitious goal, the initial plan is to strengthen the existing 3rd milestone / reservoir clusters: Greater London and Greater Manchester clusters. These clusters currently serve as reservoir clusters for their surrounding areas and it is through connecting with experience in other clusters that are at the same stage of development or more advanced, that friends serving there can gain insights and experience that they can apply to their own reality to advance their efforts.

**NATIONAL SPIRITUAL ASSEMBLY OF THE
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**FINANCIAL REVIEW
FINANCIAL POSITION**

All Assemblies can assist the condition of the Fund and will augment the confidence of the believers, by the care and economy they exercise in the expenditure of the funds entrusted to their care, for the contributions of the friends are often made with great sacrifice and devotion and constitute a sacred trust and a challenge to the skill and wisdom of those called upon to administer them.
(The Universal House of Justice, December 29, 1970)

During the last financial year, the United Kingdom struggled with the financial impact of the pandemic, with many people finding themselves out of work or furloughed, which resulted in a reduction in their income. Investment markets also took a significant tumble in March and April 2020 and the economy is only now slowly recovering. But, in 2021, the community started to emerge from online activities as the United Kingdom reduced restrictions as a result of the pandemic. Of course, this happened in different way across each region, but more and more of the local activities went back to face-to-face gatherings. This saw an increase in expenditure during the second half of the year. In addition, the Training Centre was able to be reopened and intensive training for London and nearby clusters were able to use the space.

Projects that may have started before the pandemic also gained pace and the refurbishment of the Hub in Belfast - a premises for activities in the Windsor neighbourhood - moved forward (hopefully to be completed during the coming summer); the renovations at Royal York Crescent also advanced, plus some significant conversations took place to advance the purchase of a Temple Land.

Although the financial report focusses on the year ended 31 December 2021, at the beginning of 2022, the National Spiritual Assembly hosted a Northern Europe Institutional meeting with some 190 people attending in person and the plans to host the series of worldwide conferences in the United Kingdom are fully underway, which will give tremendous impetus to the community as we enter the first year of the Nine Year Plan. Both of these events will place a significant demand on the National Fund in the coming year.

Fund gatherings also took place during the year, with a focus of strengthening the relationship of the friends with the Funds of the Faith. Regarding the various investments of the National Assembly, the Investment Committee of the National Spiritual Assembly, who meet quarterly, navigated the volatility of markets to generate a healthy return for the reserves which are invested to 31 December 2021. However, due to inflationary pressures and the tensions in eastern Europe, investments have fallen since 31 December 2021.

CAPITAL PROJECTS

In 2019, the National Assembly called for £5m to meet the Capital Projects, which the community has responded positively to.

The target of £1.3m for the Guardian's Resting Place Fund was reached in 2020, the main costs to refurbish the Training Centre were also met. The focus in the coming year will be to ensure sufficient funds are available to complete the work at the Master's Apartment in Bristol, the need to complete the work on the Hub in Belfast and there is still £200,000 required to reach the initial goal of £2.5m for the Temple Land.

The Office of the Treasurer remains deeply blessed by the sacrificial and devoted services of its three staff members, and dearly loved volunteers who are supporting the day to day work of the Office - albeit now remotely.

**NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

FINANCIAL REVIEW

PRINCIPAL SOURCE OF INCOME AND USE OF FUNDS RAISED

In accordance with the Teachings of the Bahá'í Faith, only Bahá'ís may contribute to Bahá'í funds. Thus the primary source of income is from the Bahá'í community in the United Kingdom. The National Spiritual Assembly also benefits from tax rebates received from gift-aided contributions. Other sources of income include rents receivable and deposit interest income.

Given the objectives and activities outlined above, the National Spiritual Assembly has engaged in a focussed attempt to ensure that all of its expenditures and its assets support the primary objectives which have been set.

Investment policy and objectives

In accordance with the guidance issued by the charities commission, the National Spiritual Assembly implemented a policy for investing any surplus assets to secure the best financial return (within the appropriate level of risk) to be used to achieve the goals of the Faith. The Investment committee follow a Terms of Reference which highlights the types of investments and proposed strategic asset allocation which the National Spiritual has adopted.

Each quarter the current holdings are assessed, both to ensure that the Asset Allocation is within tolerance of the suggested strategy and to ensure that any specific assets are achieving the level of growth or income that the National Assembly deems reasonable - within the agreed risk tolerance.

Although it is recognised that it is not practical to target a level of returns each year, given the nature of certain investments, the National Spiritual Assembly makes every endeavour to meet a net return across the investment portfolio of 5-7% per annum. Despite the continued market volatility, the investment strategy generated just over 6.50% investment return during the past year, down slightly from the 8.86% growth in 2020.

Any equities suggested to be held within the portfolio will also be screened as best as possible to ensure that the underlying holdings are not outside of the ethical framework congruent with the principles of the Faith.

RESERVES POLICIES

In addition to the general funds the National Assembly considers it prudent to have a general reserve to cover its working capital requirement (i.e. the day to day inflows and outflows of income and expenditure). An amount equal to £900,000 or 6 months of the annual salary bill - whichever is the greater - will therefore be set aside (to be held in accessible funds) as a general reserve. At 31 December 2021 the balance of free reserves was £1.18m plus the general reserve. The reserves are reviewed at the beginning of each accounting year in line with the budgets. It is anticipated that 2022 will see an increase in the salary bill but not such that the general reserve will need to be increased.

In view of the portfolio of properties held, the charity holds a property maintenance reserve to provide funds for significant renovations and repairs; the minimum target amount for this reserve is £350,000. At 31 December 2021 the balance was £350,000. Due to the expected increase in Growth expenditure to launch the Nine-Year Plan, the National Assembly will focus contributions to the National Fund and to reach the target for the Temple Land Fund.

Total funds as at the year-end were £13,760,853, of which £3,085,643 is held in Restricted Funds.

During the year, the National Spiritual Assembly held the amounts invested in equities of £4,692,178 which increased to £5,855,422. During the first quarter of 2022, much of the growth from 2021 was lost, due to the sudden war in Europe and subsequent inflationary pressures, however the investments remain in line with the strategic asset allocation of the National Assembly and they will continue to be closely monitored.

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FINANCIAL REVIEW

ASSETS HELD BY THE ASSEMBLY AS TRUSTEE ON BEHALF OF OTHERS

Afnan Library Trust, share in Bridge House, Tonbridge	£375,000
Afnan Library Trust - other funds	£17,111
Bridge House reserve	£36,667
Continental Pioneer Committee	£49,639
Various LSA funds	£1,024,383
Dr Khosrow Taheri	£114,240
International collaboration fund	£119,820
Baha'i International Fund	£943,231
Other funds	£14,906

FUTURE PLANS

The coming year sees the launch of the new Nine-Year Plan, which commences with a series of conferences across the United Kingdom and the goal of 75% of the Clusters to achieve the 3rd Milestone. It is anticipated that this will have a significant and ongoing impact on expenditure. The Trustees have therefore decided that other than encouraging contributions to meet the target of £2.5m for the Temple Land, the main financial goal, will be to encourage a significant increase in contributions to the National Fund, and to encourage the spiritual principles of Sacrifice and Universal Participation.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The National Spiritual Assembly of the Bahá'ís of the United Kingdom is a company limited by guarantee governed by its Memorandum and Articles of Association dated 5 August 1939 and amended to allow for current governance arrangements on 25 March 1950, 21 October 1994, 16 September 1995 and 14 May 1999. It is registered as a charity with the Charity Commission and with the Scottish Charities Office. Every Member of the National Spiritual Assembly undertakes to contribute such amounts as may be required not exceeding £1.00 to the National Assembly's assets if it should be wound up while he is a Member or within one year if he ceases to be a Member, for payment of National Spiritual Assembly's debts and liabilities contracted before he ceased to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

APPOINTMENT OF TRUSTEES

The Trustees, who are also known as the Members and directors, consist of nine persons chosen from among the Bahá'ís of the United Kingdom who have attained the age of 21 and who are elected by such Bahá'ís in a manner provided in its Articles of Association, and who shall remain Members and continue in office for the period of one year, or until their successors are elected and, on failure to be re-elected to the National Spiritual Assembly, shall cease to be a Member.

The officers of the National Spiritual Assembly consist of Chairman, Vice-chairman, Secretary and Treasurer, and such other officers as may be found necessary for the proper conduct of its affairs. The officers are elected by majority vote of all Members taken by secret ballot.

ORGANISATIONAL STRUCTURE

The Assembly or board of trustees of nine members administers the charity. The Assembly meets approximately every month. There are agencies, committees and councils which meet regularly. A Secretary is elected by the Assembly as its executive officer to manage the day to day operations of the charity. A Treasurer is elected by the trustees to manage its financial affairs.

**NATIONAL SPIRITUAL ASSEMBLY OF THE
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

**STRUCTURE, GOVERNANCE AND MANAGEMENT
TRUSTEE INDUCTION AND TRAINING**

New Members undergo an orientation to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Assembly's decision making processes and its current plans and activities. During the induction they meet key employees and other Members. Members are encouraged to attend appropriate external training events where they believe this will assist in the fulfilment of their role.

The charity adopts a pay scale structure which is benchmarked to other charities and is updated every three years using the Towers Watson salary criteria.

The charity encourages individuals to consider how they can serve the Faith and many offer their time sacrificially. The Trustees are grateful for their time and contributions to advance the Cause.

RISK STATEMENT

The Members have examined the major operational risks which the charitable company faces and confirm that systems have been established so that the necessary steps can be taken to reduce these risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
00355737 (England and Wales)

Registered Charity number
250851

Registered office
27 Rutland Gate
London
SW7 1PD

**Trustees
Trustees information**

Viv Craig	Retired 22/04/2022
Barney Leith	Retired 22/04/2021
Wendi Momen	
Patrick O'Mara	(Secretary)
Dr Vafa Ram	
Darren Smith	(Treasurer)
OlingaTahzib	(Chair)
Robert Weinberg	
Annabel Djalili	Resigned* 17/05/2021
Dr Shirin Fozdar-Foroudi	(Vice Chair) Elected 23/04/2021
Dr Ronnie Yousefzadeh-Bindra	Elected 12/06/2021
Marco Milone	Elected 23/04/2022

*Annabel stepped down from service on the National Assembly as she was appointed as an Auxiliary Board member instead, which is another role within the faith and it is not permissible to serve in both these capacities.

Company Secretary
P O'Mara

**NATIONAL SPIRITUAL ASSEMBLY OF THE
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

DNG Dove Naish LLP, Statutory Auditor
Eagle House
28 Billing Road
Northampton
NN1 5AJ

Day to day management of the charity is entrusted to its chief executive officer, the Secretary, Patrick O'Mara, and the Treasurer, Darren Smith.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of National Spiritual Assembly of the Baha'is of the United Kingdom for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, DNG Dove Naish LLP, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

30 August 2022

Approved by order of the board of trustees on and signed on its behalf by:



.....
P O'Mara - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM**

Opinion

We have audited the financial statements of National Spiritual Assembly of the Baha'is of the United Kingdom (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NATIONAL SPIRITUAL ASSEMBLY OF THE
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Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NATIONAL SPIRITUAL ASSEMBLY OF THE
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Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011, United Kingdom Generally Accepted Accounting Practice and relevant Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and the understatement of revenue. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing meeting minutes, regulatory correspondence and professional fees, detailed substantive testing on the completeness of income, and reviewing accounting estimates for biases. We will also review the regulatory correspondence with the Charity Commission.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A.M. Clifford

Andrew Clifford (Senior Statutory Auditor)
for and on behalf of DNG Dove Naish LLP, Statutory Auditor
Eagle House
28 Billing Road
Northampton
NN1 5AJ

Date: 1 September 2022

**NATIONAL SPIRITUAL ASSEMBLY OF THE
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**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds as restated £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	2,739,625	5,512,187	8,251,812	8,489,041
Charitable activities	5				
Guardian's Resting Place		9,084	-	9,084	218,536
Schools		-	-	-	380
Plot fees		46,042	-	46,042	110,381
Other trading activities	3	28,927	-	28,927	32,969
Investment income	4	81,176	9,299	90,475	150,075
Total		2,904,854	5,521,486	8,426,340	9,001,382
EXPENDITURE ON					
Raising funds	6	43,005	-	43,005	57,131
Charitable activities	7				
International funds		1,084,397	4,382,679	5,467,076	4,946,003
Guardian's Resting Place		58,128	-	58,128	64,707
Conferences		-	-	-	74
Schools		235	335,151	335,386	1,022
Regional activities - teaching and training		537,929	-	537,929	489,398
Community development		32,106	-	32,106	31,372
Organisation of community activities		713,918	21,315	735,233	705,328
External affairs		129,679	-	129,679	131,167
Property costs		370,095	270,403	640,498	459,314
Depreciation		133,157	14,049	147,206	147,206
Auditors remuneration		15,121	-	15,121	14,534
Local Spiritual Assemblies		-	405,461	405,461	194,019
Deputisation		-	26,938	26,938	146,871
Total		3,117,770	5,455,996	8,573,766	7,388,146
Net gains on investments		466,412	94,099	560,511	639,158
NET INCOME		253,496	159,589	413,085	2,252,394
Transfers between funds	21	(185,016)	185,016	-	-
Net movement in funds		68,480	344,605	413,085	2,252,394
RECONCILIATION OF FUNDS					
Total funds brought forward		10,606,729	2,741,038	13,347,767	11,095,373
TOTAL FUNDS CARRIED FORWARD		10,675,209	3,085,643	13,760,852	13,347,767

The notes form part of these financial statements

**NATIONAL SPIRITUAL ASSEMBLY OF THE
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**STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds as restated £
FIXED ASSETS					
Tangible assets	13	4,510,298	628,998	5,139,296	5,286,501
Investments					
Investments	14	4,681,238	1,174,184	5,855,422	4,692,178
Investment property	15	<u>2,145,810</u>	<u>524,190</u>	<u>2,670,000</u>	<u>2,670,000</u>
		11,337,346	2,327,372	13,664,718	12,648,679
CURRENT ASSETS					
Stocks	16	50,176	-	50,176	73,337
Debtors	17	747,155	91,770	838,925	103,753
Cash at bank and in hand		<u>2,036,900</u>	<u>666,501</u>	<u>2,703,401</u>	<u>3,370,501</u>
		2,834,231	758,271	3,592,502	3,547,591
CREDITORS					
Amounts falling due within one year	18	(3,121,368)	-	(3,121,368)	(2,473,503)
NET CURRENT ASSETS		<u>(287,137)</u>	<u>758,271</u>	<u>471,134</u>	<u>1,074,088</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		11,050,209	3,085,643	14,135,852	13,722,767
CREDITORS					
Amounts falling due after more than one year	19	(375,000)	-	(375,000)	(375,000)
NET ASSETS		<u>10,675,209</u>	<u>3,085,643</u>	<u>13,760,852</u>	<u>13,347,767</u>
FUNDS	21				
Unrestricted funds				10,675,209	10,606,729
Restricted funds				<u>3,085,643</u>	<u>2,741,038</u>
TOTAL FUNDS				<u>13,760,852</u>	<u>13,347,767</u>

The notes form part of these financial statements

**NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM**

**STATEMENT OF FINANCIAL POSITION - continued
31 DECEMBER 2021**

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on
30 August 2022..... and were signed on its behalf by:



.....
P O'Mara - Trustee



.....
D Smith - Trustee

The notes form part of these financial statements

**NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 as restated £
Cash flows from operating activities			
Cash generated from operations	1	<u>(206,898)</u>	<u>2,212,412</u>
Net cash (used in)/provided by operating activities		<u>(206,898)</u>	<u>2,212,412</u>
Cash flows from investing activities			
Purchase of fixed asset investments		(602,733)	(2,006,779)
Sale of fixed asset investments/property		-	320,300
Interest received		1,670	2,964
Dividends received		<u>3,733</u>	<u>6,988</u>
Net cash used in investing activities		<u>(597,330)</u>	<u>(1,676,527)</u>
Change in cash and cash equivalents in the reporting period			
		(804,228)	535,885
Cash and cash equivalents at the beginning of the reporting period	2	<u>3,370,501</u>	<u>2,834,616</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>2,566,273</u></u>	<u><u>3,370,501</u></u>

The notes form part of these financial statements

**NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM**

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020 as restated
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	413,085	2,252,394
Adjustments for:		
Depreciation charges	147,206	147,206
Gain on investments	(560,511)	(639,158)
Interest received	(1,670)	(2,964)
Dividends received	(3,733)	(6,988)
Decrease/(increase) in stocks	23,160	(10,587)
(Increase)/decrease in debtors	(735,172)	282,148
Increase in creditors	510,737	190,361
Net cash (used in)/provided by operations	<u>(206,898)</u>	<u>2,212,412</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021	2020 as restated
	£	£
Cash in hand	2,294	3,020
Notice deposits (less than 3 months)	2,701,107	3,367,481
Overdrafts included in bank loans and overdrafts falling due within one year	<u>(137,128)</u>	<u>-</u>
Total cash and cash equivalents	<u>2,566,273</u>	<u>3,370,501</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/21 £	Cash flow £	At 31/12/21 £
Net cash			
Cash at bank and in hand	3,370,501	(667,100)	2,703,401
Bank overdraft	<u>-</u>	<u>(137,128)</u>	<u>(137,128)</u>
	<u>3,370,501</u>	<u>(804,228)</u>	<u>2,566,273</u>
Total	<u>3,370,501</u>	<u>(804,228)</u>	<u>2,566,273</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

National Spiritual Assembly of the Baha'is of the UK is a charity, registered in England and Wales. The charity's number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The trustees have considered a period of 12 months from the date of approval of these financial statements and have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Costs are allocated on an activity basis.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property - 2% on cost

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date. The selection of these residual values and estimated lives requires the exercise of judgement. The directors are required to assess whether there is an indication of impairment to the carrying value of assets. In making that assessment, judgements are made in estimating value in use. The directors consider that the individual carrying values of assets are supportable by their value in use.

Investments

Investments which are held for the long term are included in the financial statements at market value. Investments are held for the specific purpose of providing income to support the charity's work.

**NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. ACCOUNTING POLICIES - continued

Investments

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is shown as gains or losses in the Statement of Financial Activities.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are amounts which have been set aside at the discretion of the trustees for specific but not legally binding purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Financial instruments

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income under administrative expenses.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. ACCOUNTING POLICIES - continued

Leasing commitments

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income as incurred.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Significant judgements and estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within the individual accounting policies above.

2. DONATIONS AND LEGACIES

	2021	2020 as restated
	£	£
Donations	6,280,173	5,575,811
Gift aid	733,986	651,410
Legacies	<u>1,237,653</u>	<u>2,261,820</u>
	<u>8,251,812</u>	<u>8,489,041</u>

3. OTHER TRADING ACTIVITIES

	2021	2020 as restated
	£	£
Sales from publishing division	<u>28,927</u>	<u>32,969</u>

4. INVESTMENT INCOME

	2021	2020 as restated
	£	£
Rents received	85,072	140,123
Dividends received	3,733	6,988
Deposit account interest	<u>1,670</u>	<u>2,964</u>
	<u>90,475</u>	<u>150,075</u>

**NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. INCOME FROM CHARITABLE ACTIVITIES

		2021	2020 as restated
	Activity	£	£
Guardian's Resting Place	Guardian's Resting Place	9,084	218,536
Schools	Schools	-	380
Plot fees	Plot fees	<u>46,042</u>	<u>110,381</u>
		<u>55,126</u>	<u>329,297</u>

6. RAISING FUNDS

Other trading activities

	2021	2020 as restated
	£	£
Purchases of literature for resale	<u>43,005</u>	<u>57,131</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
International funds	5,467,076	-	5,467,076
Guardian's Resting Place	58,128	-	58,128
Schools	335,386	-	335,386
Regional activities - teaching and training	537,929	-	537,929
Community development	32,106	-	32,106
Organisation of community activities	73,165	662,068	735,233
External affairs	129,679	-	129,679
Property costs	640,498	-	640,498
Depreciation	147,206	-	147,206
Auditors remuneration	-	15,121	15,121
Local Spiritual Assemblies	405,461	-	405,461
Deputisation	<u>26,938</u>	-	<u>26,938</u>
	<u>7,853,572</u>	<u>677,189</u>	<u>8,530,761</u>

**NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Organisation of community activities	456,721	174,815	30,532	662,068
Auditors remuneration	-	-	15,121	15,121
	<u>456,721</u>	<u>174,815</u>	<u>45,653</u>	<u>677,189</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 as restated £
Auditors' remuneration	15,120	14,534
Depreciation - owned assets	147,205	147,206
Other operating leases	<u>229</u>	<u>1,400</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

During the year £8,610 (2020: £nil) was paid to R Bindra. This is permitted by the governing document of the charity.

Trustees' expenses

During the year 3 trustees (2020: 3), being directors of the charitable company, received £2,880 (2020 £4,300) for reimbursement of expenses.

11. STAFF COSTS

	2021 £	2020 £
Wages and salaries	1,138,914	1,042,538
Social security costs	99,589	90,725
Other pension costs	<u>81,115</u>	<u>75,923</u>
	<u>1,319,618</u>	<u>1,209,186</u>

The key management personnel are considered to be the Trustees only.

The average monthly number of employees during the year was as follows:

	2021	2020 as restated
Employed staff	<u>49</u>	<u>44</u>

No employees received emoluments in excess of £60,000.

**NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. PRIOR YEAR ADJUSTMENT

The comparatives have been restated to correct restricted income in a prior year which was allocated as unrestricted income. This has resulted in an increase to the brought forward Royal York Crescent Apartment Restricted fund of £399,180 and corresponding reduction in the Unrestricted General Fund.

13. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
At 1 January 2021 and 31 December 2021	<u>7,404,267</u>
DEPRECIATION	
At 1 January 2021	2,117,766
Charge for year	<u>147,205</u>
At 31 December 2021	<u>2,264,971</u>
NET BOOK VALUE	
At 31 December 2021	<u>5,139,296</u>
At 31 December 2020	<u>5,286,501</u>

Included in cost or valuation of land and buildings is freehold land of £44,000 (2020 - £44,000) which is not depreciated.

The charitable company has taken advantage of the transitional provisions of FRS 102 in relation to tangible fixed assets. From the date of transition, assets previously accounted for on a revaluation basis are instead accounted for on a cost basis, using the net book value at transition as deemed cost.

In respect of assets stated at valuation, the comparable historic cost and depreciation values are as follows:

	Cost £	Depreciation £	NBV on historical cost basis £	NBV based on revalued amounts £
Rutland Gate, London	735,744	515,022	220,722	2,184,000
3 Langdale Road, Liverpool	36,952	19,199	17,753	83,700
Willow Island (land)	500	-	500	8,000
Wideford Hill, St Ola, Orkney Isles (land)	<u>500</u>	<u>-</u>	<u>500</u>	<u>36,000</u>
	<u>773,696</u>	<u>534,221</u>	<u>239,475</u>	<u>2,311,700</u>

Properties held in trust for the Universal House of Justice:

99 Marshall's Close, New Southgate, London - stated at cost - £94,800

Properties held in trust for the Afnan Library Trust:

The Old Chapel, 14 Pleasant Place, Sandy - stated at cost £289,046

**NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1 January 2021	4,602,958	89,220	4,692,178
Additions	602,733	-	602,733
Revaluations	<u>563,115</u>	<u>(2,604)</u>	<u>560,511</u>
At 31 December 2021	<u>5,768,806</u>	<u>86,616</u>	<u>5,855,422</u>
NET BOOK VALUE			
At 31 December 2021	<u>5,768,806</u>	<u>86,616</u>	<u>5,855,422</u>
At 31 December 2020	<u>4,602,958</u>	<u>89,220</u>	<u>4,692,178</u>

There were no investment assets outside the UK.

Unlisted investments are stated at market value at the year end. The cost of the investment is £56,542.

15. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2021 and 31 December 2021	<u>2,670,000</u>
NET BOOK VALUE	
At 31 December 2021	<u>2,670,000</u>
At 31 December 2020	<u>2,670,000</u>

A valuation of the charity's main investment property was obtained on 18 May 2018 by Durlings Chartered Surveyors. The trustees believe that still reflects the fair value at the year end.

16. STOCKS

	2021	2020 as restated
	£	£
Stocks	<u>50,176</u>	<u>73,337</u>

NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020 as restated
	£	£
Other debtors	33,395	32,955
VAT	552	1,102
Prepayments and accrued income	<u>804,978</u>	<u>69,696</u>
	<u>838,925</u>	<u>103,753</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020 as restated
	£	£
Bank loans and overdrafts (see note 20)	137,128	-
Trade creditors	302,180	55,691
Social security and other taxes	24,786	-
Other creditors	51,520	58,809
Funds held for others	2,575,453	2,319,997
Accruals and deferred income	<u>30,301</u>	<u>39,006</u>
	<u>3,121,368</u>	<u>2,473,503</u>

Included within Funds held for others are amounts received on behalf of other organisations or individuals. Receipts for the year totalled £5,398,093, payments for the year totalled £5,215,687 and adjustments were £73,050.

Deferred income relates to income received before the year end which relates to activities taking place in the next financial year.

	£
Balance as at 31 December 2020	20,778
Amount released to incoming resources	(20,778)
Amount deferred in year	<u>18,231</u>
Balance as at 31 December 2021	<u>18,231</u>

**NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020 as restated
	£	£
Funds held for others	<u>375,000</u>	<u>375,000</u>

20. LOANS

An analysis of the maturity of loans is given below:

	2021	2020 as restated
	£	£
Amounts falling due within one year on demand:		
Bank overdrafts	<u>137,128</u>	<u>-</u>

A technical bank overdraft arises where a fund is in deficit or where the fund comprises mainly non-cash assets. This is not indicative of an actual overdraft facility at the bank.

**NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. MOVEMENT IN FUNDS

	At 1/1/21 £	Net movement in funds £	Transfers between funds £	At 31/12/21 £
Unrestricted funds				
General fund	1,424,514	(709,408)	74,927	790,033
Social Action Fund	5,572	260	-	5,832
Property maintenance fund	350,000	-	-	350,000
General reserve	900,000	-	-	900,000
Capital projects	-	27,313	(27,313)	-
Growth fund	2,172,023	1,003,422	-	3,175,445
Revaluation	2,068,449	-	(2,068,449)	-
Guardian's Resting Place	379,482	(39,100)	-	340,382
UK Temple Fund - Designated Fund	611,941	103,245	-	715,186
Belfast Temple Funds	91,248	5,945	(97,193)	-
Belfast Centre Fund	369,378	(142,271)	(227,107)	-
Residential Centre reserve	2,010,747	(41,035)	(1,969,712)	-
Royal York Crescent	113,865	45,125	(158,990)	-
Faroes Centre Fund	109,510	-	-	109,510
Funds representing properties held	-	-	4,288,821	4,288,821
	10,606,729	253,496	(185,016)	10,675,209
Restricted funds				
Deputisation	5,409	-	-	5,409
UK Temple Fund	738,424	254,765	-	993,189
Guardian's Resting place	1,064,700	96,809	(57,942)	1,103,567
Paul Malcolm Booth Fund	6,114	160	-	6,274
Baha'i Institute of Higher Education	5,631	(5,593)	-	38
International Funds	-	91,770	-	91,770
Faroes Centre Fund	271,415	(21,315)	-	250,100
Residential Centre reserve	243,867	(14,154)	9,177	238,890
Department of Health	6,298	-	-	6,298
Royal York Crescent Apartment	399,180	(242,853)	233,781	390,108
	2,741,038	159,589	185,016	3,085,643
TOTAL FUNDS	13,347,767	413,085	-	13,760,852

**NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,865,549	(2,820,871)	245,914	(709,408)
Social Action Fund	260	-	-	260
Capital projects	27,313	-	-	27,313
Growth fund	926,855	(50,000)	126,567	1,003,422
Guardian's Resting Place	19,028	(58,128)	-	(39,100)
UK Temple Fund - Designated Fund	15,259	-	87,986	103,245
Belfast Temple Funds	-	-	5,945	5,945
Belfast Centre Fund	5,464	(147,735)	-	(142,271)
Residential Centre reserve	1	(41,036)	-	(41,035)
Royal York Crescent	45,125	-	-	45,125
	2,904,854	(3,117,770)	466,412	253,496
Restricted funds				
Deputisation	26,938	(26,938)	-	-
UK Temple Fund	254,765	-	-	254,765
Guardian's Resting place	2,710	-	94,099	96,809
Paul Malcolm Booth Fund	160	-	-	160
Baha'i Institute of Higher Education	329,558	(335,151)	-	(5,593)
International Funds	4,474,449	(4,382,679)	-	91,770
Faroos Centre Fund	-	(21,315)	-	(21,315)
Residential Centre reserve	25,967	(40,121)	-	(14,154)
Local Spiritual Assemblies	405,461	(405,461)	-	-
Royal York Crescent Apartment	1,478	(244,331)	-	(242,853)
	5,521,486	(5,455,996)	94,099	159,589
TOTAL FUNDS	8,426,340	(8,573,766)	560,511	413,085

**NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/1/20 £	Net movement in funds £	Transfers between funds £	At 31/12/20 £
Unrestricted funds				
General fund	1,941,686	(363,104)	(154,068)	1,424,514
Social Action Fund	5,282	290	-	5,572
Property maintenance fund	350,000	-	-	350,000
General reserve	900,000	-	-	900,000
Growth fund	36,115	2,257,908	(122,000)	2,172,023
Revaluation	2,143,376	-	(74,927)	2,068,449
Guardian's Resting Place	306,459	117,600	(44,577)	379,482
UK Temple Fund - Designated Fund	500,000	111,941	-	611,941
Belfast Temple Funds	83,820	7,428	-	91,248
Belfast Centre Fund	163,851	(27,788)	233,315	369,378
Residential Centre reserve	2,051,783	58,625	(99,661)	2,010,747
Edinburgh Centre	-	(4,970)	4,970	-
Royal York Crescent	-	111,196	2,669	113,865
Faroos Centre Fund	-	-	109,510	109,510
	<u>8,482,372</u>	<u>2,269,126</u>	<u>(144,769)</u>	<u>10,606,729</u>
Restricted funds				
Deputisation	128,227	(122,818)	-	5,409
UK Temple Fund	630,298	108,126	-	738,424
Guardian's Resting place	910,871	153,829	-	1,064,700
Paul Malcolm Booth Fund	5,634	480	-	6,114
Baha'i Institute of Higher Education	40	5,591	-	5,631
Faroos Centre Fund	272,294	(879)	-	271,415
Residential Centre reserve	248,844	(107,838)	102,861	243,867
Department of Health	7,539	(1,241)	-	6,298
National Spiritual Assemblies overseas	1,002	(1,002)	-	-
Royal York Crescent Apartment	408,252	(50,980)	41,908	399,180
	<u>2,613,001</u>	<u>(16,732)</u>	<u>144,769</u>	<u>2,741,038</u>
TOTAL FUNDS	<u>11,095,373</u>	<u>2,252,394</u>	<u>-</u>	<u>13,347,767</u>

**NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,133,147	(2,799,065)	302,814	(363,104)
Social Action Fund	290	-	-	290
Growth fund	2,181,675	(45,297)	121,530	2,257,908
Guardian's Resting Place	8,629	-	108,971	117,600
UK Temple Fund - Designated Fund	11,773	-	100,168	111,941
Belfast Temple Funds	1,753	-	5,675	7,428
Belfast Centre Fund	1,675	(29,463)	-	(27,788)
Residential Centre reserve	99,661	(41,036)	-	58,625
Edinburgh Centre	25	(4,995)	-	(4,970)
Royal York Crescent	111,196	-	-	111,196
	4,549,824	(2,919,856)	639,158	2,269,126
Restricted funds				
Deputisation	24,053	(146,871)	-	(122,818)
UK Temple Fund	108,126	-	-	108,126
Guardian's Resting place	218,536	(64,707)	-	153,829
Paul Malcolm Booth Fund	480	-	-	480
Baha'i Institute of Higher Education	47,950	(42,359)	-	5,591
International Funds	3,780,576	(3,780,576)	-	-
Faroos Centre Fund	-	(879)	-	(879)
Residential Centre reserve	45,318	(153,156)	-	(107,838)
Department of Health	-	(1,241)	-	(1,241)
Local Spiritual Assemblies	194,019	(194,019)	-	-
National Spiritual Assemblies overseas	26,284	(27,286)	-	(1,002)
Royal York Crescent Apartment	6,216	(57,196)	-	(50,980)
	4,451,558	(4,468,290)	-	(16,732)
TOTAL FUNDS	<u>9,001,382</u>	<u>(7,388,146)</u>	<u>639,158</u>	<u>2,252,394</u>

Unrestricted, designated funds

The Social Action fund may be used at the discretion of the National Assembly for social action projects.

The Property Maintenance Fund is established as a reserve for major property maintenance costs.

The General Reserve is established to cover three months average expenditure.

The Growth Fund is established for the promotion and growth of the Bahá'í community.

The UK Temple Fund - Designated Fund represents funds which have been set aside by the trustees towards the cost of building a future Bahá'í Temple.

The Guardian's Resting Place - Designated Fund represents funds which have been set aside by the trustees for the upkeep of the Guardian's Resting Place.

**NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. MOVEMENT IN FUNDS - continued

The Residential Centre Reserve represents the balance of funds relating to the new national training centre in Lower Arncott, Bicester.

The Belfast Centre Fund and Belfast Temple Fund are established for the purpose of purchasing a Bahá'í Centre and Temple in Belfast.

The Royal York Crescent Apartment fund has been established for the refurbishment and upkeep of the property.

The Revaluation fund has been established due to the revaluation of 27 Rutland Gate and 3 Langdale road. A yearly adjustment for the depreciation is carried out.

The Funds representing properties held was created during the year to amalgamate into one single designated fund the following individual designated funds; Royal York Crescent, Residential Centre reserve, Belfast Temple Funds, Belfast Centre Fund and Revaluation fund.

Restricted Funds

The UK Temple Fund is established towards the cost of building a future Bahá'í Temple.

The Paul Malcolm Booth Fund is to provide scholarships for Bahá'is and others on low income to enable them to attend summer and winter schools and other national and international gatherings.

The Deputisation Fund is established for the purpose of deputising teachers to teach the Faith.

The Guardian's Resting Place Fund is established for the upkeep of the Guardian's Resting Place.

The Residential Centre Reserve represents funds which have been obtained for the creation of a national training centre in Lower Arncott, Bicester.

The Faroes Centre Fund is established for the purpose of purchasing a Centre in the Faroe Islands.

The International Fund represents funds received for the Baha'is International Funds and other International Funds.

The Local Spiritual Assemblies fund represents funds received for Local Spiritual Assemblies.

The National Spiritual Assemblies fund represents funds received for National Spiritual Assemblies overseas.

The Royal York Crescent Apartment fund has been established for the purchase of the apartment and for the subsequent refurbishment and upkeep of the property.

The Baha'i Institute of Higher Education fund is used to provide scholarships for educational purposes.

The Department of health fund has been established for the completion of the Bahá'ís Health Care Chaplaincy Support Project.

The Edinburgh fund has been established for the refurbishment and upkeep of the property.

Transfers between funds

The transfer from the designated Royal York Crescent fund to the restricted Royal York Crescent Apartment fund, which were created for the same purpose, was due to an overspend in the restricted fund.

**NATIONAL SPIRITUAL ASSEMBLY OF THE
BAHA'IS OF THE UNITED KINGDOM**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. MOVEMENT IN FUNDS - continued

Transfers between funds - continued

The transfer from the General fund to Revaluation fund represents the depreciation for the year on the revalued assets.

The transfers from the designated Residential Centre reserve, Belfast Temple Funds, Belfast Centre Fund and Revaluation fund relate to an amalgamation of the designated funds into a single designated fund; Funds representing properties held.

22. EMPLOYEE BENEFIT OBLIGATIONS

The charitable company operates a defined contribution pension scheme on behalf of its employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £81,115 (2020: £75,923).

23. RELATED PARTY DISCLOSURES

During the year R Weinberg and D Smith, Trustees, charged £2,597 (2020: £6,234) and £6,479 (2020: £6,000) respectively to the charity in respect of consultancy services provided.

During the year, AJ Tahzib, who is the wife of Trustee O Tahzib, received remuneration of £30,579 (2020: £28,245).

During the year, R Bindra, who is the wife of Trustee Dr R Yousefzadeh-Bindra, received remuneration of £21,406 (2020: £nil).

Included in funds held for others at the year end is £381,292 (2020: £392,111) relating to funds that are held as agents on behalf of Afnan Library Trust. The spouses of two trustees and the National Spiritual Assembly of the Baha'is of the United Kingdom are trustees of the Afnan Library Trust.

24. OPERATING LEASES - LESSOR

Minimum lease receipts under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	63,271	118,000
Between one and five years	17,914	177,935
In more than five years	-	54,000
	<u>81,185</u>	<u>349,935</u>