

ESPERANTO-ASOCIO DE BRITIO
(REGISTERED CHARITY NUMBER 272676)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

Dains LLP
Chartered Accountants
St John's Court
Wiltell Road
Lichfield
Staffordshire
WS14 9DS

ESPERANTO-ASOCIO DE BRITIO
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

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ESPERANTO-ASOCIO DE BRITIO

Registered Charity no: 272676

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 OCTOBER 2021

The trustees present their annual report and financial statements of the charity for the year ended 31 October 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's constitution, the Charities Act 2011 and 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 (FRS102) effective 1 January 2019.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The purpose of the charity is to advance education in and about the international language Esperanto and to preserve and promote the culture and heritage of Esperanto for the educational benefit of the general public.

In setting objectives and planning activities, the trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

The main activities undertaken by the charity during the year to further its charitable purposes for the public benefit are detailed below:

- Hosting free weekend courses for learners online, enabling students to enjoy a friendly and supportive environment with other learners, aided by a variety of teachers.
- Distributing free of charge or at cost price educational materials to beginners who have attended our online courses.
- Operating a book service so that people have easy access to learning materials and Esperanto literature, which people can use online or in person at our headquarters, with core educational materials for sale at or around cost price.
- Providing free correspondence courses accessible via email and post with experienced Esperanto teachers, as well as the option to undergo assessment in the form of examinations.
- Investing in the Butler Library and archive in order to preserve Esperanto's cultural heritage and provide a research facility for study.
- Working on multiple publishing projects to provide learners with high-quality books in Esperanto, priced at a significant discount from the recommended retail price.
- Encouraging members to participate in local meetups and paying the costs of online accounts to promote these meetings.
- Maintaining a website up to date with information for enquirers and details of events around the country, as well as larger international ones.
- Running schemes to provide learners with grants towards the cost of educational courses.

ESPERANTO-ASOCIO DE BRITIO

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 OCTOBER 2021 (continued)

A REVIEW OF OUR ACHIEVEMENTS AND PERFORMANCE

Education

- We held our free *Lernu Plu* weekend educational course for post-beginners via Zoom in November 2020, February 2021, March 2021 and June 2021. Feedback is chiefly positive, both from the students and the various teachers who led the courses.
- We also held a free online session of *Postplu*, our course for intermediate learners, in December 2020. This provided students who had progressed beyond the level of *Lernu Plu* with an opportunity to practise their conversational skills and learn more technical elements of Esperanto.
- Our annual free *Somerlernejo*, allowing learners to study Esperanto and its literature, was also successfully run as an online session in August 2021.
- Following a fall in take-up and the fact that excellent courses at this level are already being provided regularly by the North London Esperanto Group, we ceased hosting our beginners' course *Lernu* and concentrated our efforts on the more advanced courses. We plan to return to running *Lernu* once we are able to safely resume in-person teaching from Esperanto House.
- As pandemic-related restrictions eased in the spring and summer, the trustees considered whether to return to running in-person courses at the charity's headquarters. The trustees decided to keep the charity's educational provision online for the remainder of 2021, on the basis that the size of rooms at Esperanto House would make social distancing a challenge. We hope to offer a mixture of online and in-person tuition during 2022.
- Learners who attended our online courses continued to receive free educational books (primarily John Wells's dictionary and the vocabulary builder *First Thousand Words in Esperanto*) if they didn't already have copies, mirroring our long-time approach with in-person teaching at Barlaston.
- We were unable to run a planned bursary scheme offering £200 towards the cost of participating in the educational course *Somera Esperanto-Studado* in Slovakia for learners who had never been abroad with the language, as the pandemic meant that the event was unable to go ahead. We were also unable to subsidise the cost of Common European Framework of Reference exams for learners as the pandemic meant that planned exam sessions could not be held.
- We continue to encourage people to supplement their Esperanto learning by selling the textbook *Complete Esperanto*, published by John Murray Learning, at cost price. There continues to be a strong take-up of this book, with an additional 48 copies sold this year.
- A sequel to this textbook, *Enjoy Esperanto*, was published in September 2021 and the charity made the decision to sell copies at cost price, in order to encourage intermediate learners to perfect their understanding of more complex topics and progress towards C1 level on the Common European Framework of Reference. The price at which the charity is making the resource available represents a 50% discount on the recommended retail price. 151 learners purchased a copy of the book from us in its first month of publication.
- The Esperanto course *Jen Nia Mondo*, incorporating two books and 50 audio tracks, continued to be available for free download from our website throughout the year.

ESPERANTO-ASOCIO DE BRITIO

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 OCTOBER 2021 (continued)

Education (continued)

- We continued to sell multiple fiction books below the retail price, including our own translations of *The Gruffalo* and *Room on the Broom*, plus *The Smartest Giant in Town* which we published during the year.
- We negotiated deals to purchase relatively large supplies of the new masterpiece reference works *Plena Ilustrita Vortaro 2020* and *Plena Manlibro de Esperanta Gramatiko 2020*, with the result that we were able to make both these books available for purchase at near cost price, by far the cheapest on sale from Esperanto booksellers. As a consequence, we exhausted our supply relatively quickly and had to reorder. We have continued to sell these at low prices in order to make it easier for learners to get these relatively expensive but very useful books onto their shelves.
- Our account on eBay is regularly updated with second-hand books and finds people who otherwise would have no contact with us, getting used books out of storage and to people who want to read them.
- Our distance learning courses and examinations continued to have a steady uptake.

Educational grant-making

- Another Esperanto-related charity, the Norwich Jubilee Esperanto Foundation (NoJEF), closed down during the year and, as pre-arranged, donated its assets to EAB. As described further in the Financial Review section of this report, future income generated by the investment of the donated funds will be used to continue and expand on the legacy of NoJEF. NoJEF has been added to the Charity Commission's Register of Mergers, such that any future legacies sent to it will in turn be transferred to EAB.
- The impact of the pandemic meant that there were limited opportunities to make grants towards attendance at Esperanto events during the year. We hope that there will be greater opportunities for international travel next year.
- We ran a scheme in spring 2021 to offer grants to young people who were not members of the World Esperanto Youth Organisation (*TEJO*) to attend a new online event called *Retoso*. We did not ultimately make any grants for this event due to a lack of suitable applications.
- In May 2021 we advertised grants for the *Printempa Reta Kursaro*, a three-day online course with classes at levels ranging from A1 to C1. No applications were received.
- In summer 2021 we were pleased to be able to invite applications for grants towards the tuition fees of a postgraduate programme in Interlinguistic Studies at the Adam Mickiewicz University in Poznan, Poland. Three candidates successfully applied for the grants, which will be paid over a period of three years, conditional on their continued participation in the course.
- Small grants were also made to support the production of an Esperanto version of the language-learning board game *LinguaPolis* and to enable a young person to complete work on the *TEJO* archives in Rotterdam.

ESPERANTO-ASOCIO DE BRITIO

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 OCTOBER 2021 (continued)

Publicity

- The pandemic meant that there was no participation in language shows this year.
- We budgeted for significant publicity efforts to coincide with the World Esperanto Congress, which was due to take place in Belfast during July 2021. Unfortunately, this event also became a casualty of the pandemic, with its cancellation being announced in April 2021. Planned publicity expenditure was therefore not incurred.
- We commenced work on organising the 2022 British Esperanto Conference, which will take place during April 2022 in Conwy.
- The charity has continued to fund the use of Esperanto accounts on the site meetup.com, with the intention of facilitating the organisation of regular get-togethers, making Esperanto visible to people looking for something related in their vicinity, and providing people with opportunities to speak Esperanto with others. EAB has continued to fund the sites during the pandemic so that those groups initiating online meetings can still proceed, whilst those who are on hiatus until they can resume meeting in person don't lose their members and have to start again with a fresh account.
- The charity's Facebook page now has 1,982 (2020: 1,789) fans, while the Twitter account has 2,100 (2020: 1,954) followers.

Publications

- The trustees made considerable efforts to increase the charity's publishing profile, including securing the rights to translate several well-known titles into Esperanto.
- The charity published a translation of the popular children's book *The Smartest Giant in Town*, which has sold well during the year.
- Three similar books – *New in Town*, *Song of Joy*, *The Hundred Decker Rocket* - were translated, pageset and printed during the year, with final copies in transit to us at the year end.
- Significant work also took place on five further titles, which we expect to be published and available for sale in the first half of 2022. These include a full colour illustrated version of *Alice's Adventures in Wonderland*. The charity has negotiated terms for print runs which will allow us to make these books available at affordable prices.
- The charity secured the rights to publish a translation of *The House at Pooh Corner* in the prior year. The text was finalised by Edmund Grimley Evans this year and pageset by Tim Owen, with the final book being printed in October 2021. We are really proud of this book, which has been published as a full-colour, hardback edition.
- Edmund Grimley Evans has made considerable progress in editing a complete works of Marjorie Boulton's poetry, which was provisionally pageset last year to match the similar works of William Auld and Baldur Ragnarsson. Marjorie's prodigious output meant that the book, originally intended to be a single volume like its predecessors, will be published as a two-volume set once indexing and pagesetting are completed.
- We reissued *Okuloj*, a short story collection by Marjorie Boulton as a print-on-demand book.

ESPERANTO-ASOCIO DE BRITIO

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 OCTOBER 2021 (continued)

Butler Library

- Owing to the pandemic, no cataloguing sessions have taken place on site this year.
- The charity has continued to make available on Soundcloud digitised recordings of talks given by Esperanto speakers from the past, primarily based on recordings originally made as audio cassettes by Ivor Hueting.
- The charity took receipt of several small book collections in the year, duplicates of which have been made available for purchase on eBay.

Closure of Wedgwood Memorial College

Wedgwood Memorial College, on whose Estoril site the charity has its headquarters, was sold to a new owner on 29 January 2021. The charity has sole use of the Butler Library and three Esperanto bedrooms as well as the Esperanto office in accordance with the terms of its lease and will continue to enjoy this for the remaining 80-year duration of the lease, irrespective of the future of the remaining college site.

FINANCIAL REVIEW

The charity continues to be reliant on income and returns from its investments. Additional income is generated from membership subscriptions, book sales, legacies and donations.

The trustees of EAB were grateful to receive a substantial donation from the Norwich Jubilee Esperanto Foundation (NoJEF), which in the prior year received permission from the Charity Commission to change its charitable purpose to match EAB's, such that the trustees are able to put this gift to charitable use without restriction. The trustees have chosen to earmark donations from NoJEF in a designated fund for a period of at least ten years in order to show more easily how the income from NoJEF, which for over 50 years awarded travel grants to people under the age of 25, has been put to use. The trustees intend to use income from NoJEF to continue and expand NoJEF's own work, but, by arrangement with NoJEF's trustees, have freedom to put it towards EAB's charitable purpose without restrictions.

The ongoing COVID-19 pandemic has impacted the activities of the charity during the year and has resulted in reduced charitable expenditure in some areas. Less was expended on the running of educational courses since it continued to be impossible to hold these in person and the charity sought to find ways of offering education for free online. Planned expenditure on the bursary schemes for attendance at *Somera Esperanto-Studado* and passing the Esperanto CEFR examinations was not incurred, due to these events being unable to take place. Significant publicity expenditure, which had been planned to capitalise on the World Esperanto Congress due to take place in Belfast during July 2021, was also not incurred following the cancellation of that event. There were also reduced opportunities for other in-person publicity events and library cataloguing, with corresponding reductions of expenditure in these areas.

Investment policy and performance

The charity's constitution states that the trustees have the power to make investments as they see fit. Their duty is to seek adequate income and capital growth. Capital is invested in deposit accounts and unit trusts specifically designed for the charity sector, which are for the greater part socially responsible. The split between asset classes is shown in the notes to the financial statements.

ESPERANTO-ASOCIO DE BRITIO

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 OCTOBER 2021 (continued) Investment policy and performance (continued)

During the year, the trustees sold the charity's holdings in the BlackRock Charities UK Equity Fund and the BlackRock Charities UK Equity ESG Fund, realising a gain of £61,224. The trustees subsequently reinvested a total of £477,000 in the CCLA COIF Charities Global Equity Income Fund, where they felt the money could achieve a higher rate of return, while being invested in funds which better met the charity's preference for ethical investments.

In March 2021, the Norwich Jubilee Esperanto Foundation transferred holdings in the EdenTree Amity Balanced Fund for Charities with a market value of £275,717 into the name of Esperanto-Asocio de Britio. The trustees subsequently invested a cash donation of £58,300 received from the same charity in the prior year, plus a cash donation of £280,759 received during the current year, into the same investment account.

The COVID-19 pandemic has continued to cause volatility in the stock market and the trustees continue to monitor the performance of the charity's investments on a regular basis, in particular monitoring the level of investment income received for any adverse impact of COVID-19. As at 31 October 2021, no significant reduction to investment income has been experienced as a result of the pandemic and the charity's investments continue to perform well in comparison to their relevant benchmarks, with an overall gain in market value since 31 October 2020.

The COIF Charities Global Equity Income Fund produced a gross dividend yield of 2.54% compared to an average of dividend yield of 1.73% from the MSCI World Index over the same period. The COIF Charities Ethical Investment Fund has also performed well, having a gross dividend yield of 2.85% compared to an average yield of 1.65% from MSCI World ex UK Index over the same period.

Grant-making

The charity plans to use the money donated by the Norwich Jubilee Esperanto Foundation to continue the work of that charity, implementing a system of travel grants to allow young people to request funding to participate in Esperanto events at home and internationally. The charity plans to additionally make grants to allow learners who have never used Esperanto overseas to access a contribution towards their costs to participate in events of educational value. The trustees will also consider other grants to facilitate participation in educational events on an ad-hoc basis. The trustees believe such grants will contribute to the overall charitable purpose of the charity by reducing financial barriers to the participation of the public in Esperanto education. Significant grants will be approved by a sub-committee of the trustees or the trustee board as a whole.

Membership

Life members = 14 (2020: 14), full members = 269 (2020: 275), family members = 14 (2020: 14), supporters = 11 (2020: 14). Total = 308 (2020: 317).

Reserves

Total funds of the charity amounted to £3,730,602 at 31 October 2021. This comprises endowment funds of £106,032 designated funds of £1,485,020 and unrestricted funds of £2,139,550.

The trustees have agreed a reserves policy which requires reserves to be maintained at a level that, when prudently invested, will generate sufficient income for the charity to continue operating. £20k is currently held on deposit with Scottish Widows and can be accessed with seven days' notice in the event of unforeseen expenditure arising.

ESPERANTO-ASOCIO DE BRITIO

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 OCTOBER 2021 (continued)

Risk management

The trustees have examined the major internal and external risks which the charity faces and confirm that systems have been established to minimise these risks. A formal risk register has been drawn up by the trustees during the year to enable more detailed monitoring of relevant risks.

PLANS FOR THE FUTURE

- Publish further translations, including children's books but branching out also into lengthier material suitable for new learners and people who are making progress and are looking for interesting and accessible reading.
- Publish *Unu Animo Homa*, the complete poetry of Marjorie Boulton.
- Run a bursary scheme for people who have never attended an Esperanto event abroad before to participate in *Somera Esperanto-Studado* and consider expanding this approach for other approved events.
- Implement a system of travel grants allowing young people to request funding to participate in Esperanto events at home and internationally, and for learners who have never used Esperanto overseas to access a contribution towards their costs to participate in events of educational value.
- Investigate developing relationships with excellent translators who would be willing to translate books for which EAB has translation rights and develop the talents of emerging translators.
- Continue to run our successful free weekend courses online, returning to classroom tuition in Barlaston when conditions allow.
- Investigate options to improve our delivery of online education.
- Run the traditional *Somerlernejo*, either from Barlaston or online, giving new learners the opportunity in a friendly, familiar environment.
- Maintain EAB's wide teacher base, and revisit postponed plans to train the charity's classroom teachers.
- Maintain a regular presence on eBay, our prime mechanism for selling books and being visible to people who don't already know us.
- Encourage people to receive accreditation for their skills in Esperanto by refunding people who successfully take CEFR exams during the worldwide examination day.
- Continue to monitor and add to our bookshop offering.
- Organise a successful British Esperanto Conference in Conwy in April 2022.
- Replace EAB's own calendar with an integration to eventaservo.org to avoid repetition for people promoting their events, and further develop EAB's site.
- Direct more time resources to the library and run weekend sessions with volunteers to update the catalogue.
- Investigate professional cataloguing software and hosting for the Butler Library.
- Continue to obtain formal permission for the charity to sublicense the republishing of works by British Esperanto authors who are willing to give such permission to the charity, thus ensuring that it will be possible to republish those works in future.
- Continue to send out relevant information to the public regarding our activities.
- Remind the members that the charity cannot function without trustees and make general request for others to think about becoming trustees.

ESPERANTO-ASOCIO DE BRITIO

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 OCTOBER 2021 (continued)

Key management personnel remuneration

The trustees consider the board of trustees, the Director of Operations and Events and the Director of Education and Development as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 9 to the accounts. Trustees are required to disclose all relevant interests and withdraw from decisions where a conflict of interest arises. The pay of the Director of Operations and Events is reviewed by the trustees annually at their February meeting and normally increased in line with inflation and other relevant benchmarks. The Director of Education and Development provides services to the charity on a self-employed basis under a contract signed in 2017. Any increase to his payment would require re-negotiation of this contract and his remuneration has therefore been unchanged since 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

EAB is a registered charity, number 272676, and was founded on 13 March 1976. The charity is an unincorporated organisation, governed by a constitution which was last amended on 18 May 2018. Members of the Management Committee (trustees) are elected individually by the Annual General Meeting, to serve until the end of the next Annual General Meeting. The trustees are incorporated as a body.

The first full committee meeting after the election is a residential planning weekend which incorporates an induction for new trustees.

All trustees give of their time freely and no trustee remuneration was paid during the year. Details of trustee expenses are disclosed in the notes to the financial statements.

Trustees

The Management Committee are the trustees of the charity. Those who served from 1 November 2020 to 31 October 2021 were:

Ian Carter (President until ceased to be a trustee on 21 April 2021)
Simone Davis (Vice president)
Edmund Grimley Evans (President from 21 April 2021)
Clare Hunter (Treasurer)
Jane Anna Langley (from 21 April 2021)
Laura Miller (Secretary)
Ed Robertson (until 21 April 2021)

Due to restrictions on public gatherings, it was not possible for an AGM to take place in April 2021. The trustees reviewed the COVID-19 guidance published by the Charity Commission and, as the charity's governing document does not contain provision for an AGM to be held virtually, instead held trustee elections via a secret postal ballot as permitted by the constitution. Using the same voting form, members voted to approve the minutes of the 2019 AGM. The charity plans to hold an AGM during its annual conference in Conwy in April 2022.

ESPERANTO-ASOCIO DE BRITIO

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 OCTOBER 2021 (continued) REFERENCE AND ADMINISTRATIVE INFORMATION

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Staff and key volunteers

Staff and key volunteers who assisted the charity during the year were as follows:

Honorary President: John Wells | **Director of Operations and Events:** Viv O'Dunne | **Director of Education and Development and editor of *La Brita Esperantisto*:** Tim Owen | **Editor of *EAB Update*:** Maurizio Giacometto

Principal office

Esperanto House, Station Road, Barlaston, Stoke-on-Trent, ST12 9DE.

Working names

The charity also uses the working names Esperanto Association of Britain, EAB and Esperanto UK.

Independent auditor

A P Morris of Dains LLP, St John's Court, Wiltell Road, Lichfield, Staffordshire, WS14 9DS.

Solicitors

Tinsdills, Hays House, 25 Albion Street, Hanley, Staffordshire, ST1 1QF.

Bankers

Santander, 62 Hagley Road, Birmingham, B16 8PE.

CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ.

Barclays, PO Box 738, London, W6 9HY.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011 and the applicable Charities (Accounts and Reports) Regulations. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees on 26 February 2022 and signed on their behalf by:

Clare Hunter
Treasurer

Independent Auditor's Report to the Trustees of the Esperanto-Asocio de Britio

Opinion

We have audited the financial statements of the Esperanto-Asocio de Britio (the 'charity') for the year ended 31 October 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flow and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 October 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 Charities Act 2011.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity'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 other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

- As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Trustees of the Esperanto-Asocio de Britio (continued)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 an auditor's report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including financial reporting legislation, taxation legislation, anti-bribery, employment and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate the risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- assessed whether judgements and assumptions in determining the accounting estimates set out in note 1 were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with relevant regulators and the charity's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Morris FCA (Senior statutory auditor)

For and on behalf of Dains LLP

Statutory Auditor

Chartered Accountants

Lichfield

Esperanto-Asocio De Britio

Statement of Financial Activities

For the year ended 31 October 2021

	Notes	Unrestricted Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
Income from:					
Donations and legacies	2	557,813		557,813	59,155
Investments	3	87,755		87,755	79,932
Charitable activities					
Income from membership subscriptions and sales	4	24,744		24,744	22,452
Total income		670,312		670,312	161,539
Expenditure					
Charitable activities	5				
Education		7,400		7,400	9,732
Education/travel grants		3,214		3,214	
Books and publications		51,663		51,663	37,139
Library		2,367		2,367	5,218
Publicity		13,321		13,321	14,153
Membership		2,794		2,794	2,467
Depreciation		1,840		1,840	1,840
Other	6	15,676		15,676	10,551
Total		98,275		98,275	81,100
Other recognised gains/(losses)					
Gains/(losses) on listed investments					
- realised	11	61,224		61,224	-
-unrealised	11	417,279	16,542	433,821	(25,156)
Net income/(expenditure)					
Net movement in funds		1,050,540	16,542	1,067,082	55,283
Total funds brought forward		2,574,030	89,490	2,663,520	2,608,237
Total funds carried forward		3,624,570	106,032	3,730,602	2,663,520

Esperanto-Asocio de Britio

Balance Sheet at 31 October 2021

	Notes	2021		2020	
		£	£	£	£
Fixed Assets					
Tangible Assets	10		147,200		149,040
Investments	11		3,539,197		2,379,422
			<u>3,686,397</u>		<u>2,528,462</u>
Current Assets					
Stock		21,479		11,910	
Debtors	12	1,886		3,082	
Bank balances		57,818		148,370	
		<u>81,183</u>		<u>163,362</u>	
Creditors: amounts falling due within one year	13	36,978		28,304	
Net Current Assets			44,205		135,058
Total Assets less current liabilities			<u>3,730,602</u>		<u>2,663,520</u>
Endowment Funds			106,032		89,490
Unrestricted Funds	14				
Designated – Capital Fund			873,742		875,582
NoJEF Fund			620,211		58,300
Other			2,130,617		1,640,148
			<u>3,730,602</u>		<u>2,663,520</u>

These accounts were approved and authorised for issue by the trustees on 26 February 2022 and were signed on their behalf by:

.....
 Clare Hunter
 Treasurer

Esperanto-Asocio de Britio
Statement of Cash Flow
As at 31 October 2021

	2021	2020
	£	£
Net Cash Flow from operating activities	486,423	7,759
Cash flows from investing activities		
Dividends and interest	87,755	79,932
Proceeds from sale of investments	427,046	-
Purchase of investments	(1,091,776)	-
Net cash provided by (used in) investing activities	<u>(90,552)</u>	<u>87,691</u>
(Decrease)/increase in cash in the year	(90,552)	87,691
Net cash resources at 1 November 2020	148,370	60,679
Net cash resources at 31 October 2021	<u>57,818</u>	<u>148,370</u>
Reconciliation of net income/expenditure to net cash flow from operating activities		
Net income for the year	1,067,082	55,283
Adjustments for:		
Depreciation charges	1,840	1,840
(Gains)/losses on investments	(495,045)	25,156
Dividends and interest	(87,755)	(79,932)
(Increase)/decrease in stocks	(9,569)	(3,975)
(Increase)/decrease in debtors	1,196	13,670
Increase/(decrease) in creditors	8,674	(4,283)
Net cash provided by (used in) operating activities	<u>486,423</u>	<u>7,759</u>

Esperanto-Asocio De Britio

Notes to the Accounts

For the year ended 31 October 2021

1. Basis of Preparation of Accounts

The accounts have been prepared in accordance with Statement of Recommended Practice: Accounting and Reporting by 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, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Charities Act 2011 and applicable regulations.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value, unless otherwise stated in the relevant notes to these accounts.

Income

Legacies are included in the accounts as soon as the sum due is known with reasonable certainty, in practice this is often not until the legacy is actually received.

Other income is accounted for in the period in which it arises. The value of services provided by volunteers has not been included.

Expenditure

Expenditure is recognised in the period in which it is incurred and is allocated directly to either activities in furtherance of the charitable objectives or to other costs wherever possible. Costs common to both areas are apportioned either on the basis of staff time spent on each area or, where an alternative split is considered more appropriate to the nature of the expenditure, that split is used.

Fixed Assets and Depreciation

All assets costing over £1,000 which will be used by the charity on a continuing basis are capitalised at cost and are depreciated at the following rates in order to write off all assets over their useful lives:

Equipment	10% on cost
Leasehold premises	Written down over the period of the lease
Computer equipment	Written off in year of acquisition

Listed Investments

Investments held as fixed assets are revalued at closing market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

Stock

Stock is valued by the Trustees at the lower of cost and net realisable value.

Funds

Endowment funds are those funds which are retained permanently in accordance with the donor's wishes. Income arising from these funds may be applied to the general purposes of the Charity.

Restricted funds are to be used for specific purposes laid down by the donor. Expenditure which meets these is charged to the fund.

Unrestricted funds are those incoming resources which are subject to no restrictions.

Designated funds are unrestricted funds which have been earmarked by the trustees for particular purposes.

Esperanto-Asocio De Britio**For the year ended 31 October 2021****Notes to the Accounts****2. Donations and legacies**

	2021	2020
	£	£
Donations	837	847
Donation - NoJEF	556,476	58,300
Legacies	500	8
	<u>557,813</u>	<u>59,155</u>

3. Income from Investments

	2021	2020
	£	£
Income from listed investments	87,735	79,912
Bank interest and similar income	20	20
	<u>87,755</u>	<u>79,932</u>

4. Income from Charitable Activities

	2021	2020
	£	£
Subscriptions including Gift Aid	7,532	7,087
Books and publications	16,971	14,302
Other	241	1,063
	<u>24,744</u>	<u>22,452</u>

5. Charitable Activities

	Direct Costs	Support Costs	Total 2021	Total 2020
	£	£	£	£
Education	1,114	6,286	7,400	9,732
Educational/travel grants (NOJEF)	3,214		3,214	
Books and publications	15,341	36,322	51,663	37,139
Library	272	2,095	2,367	5,218
Publicity	2,145	11,176	13,321	14,153
Membership	-	2,794	2,794	2,467
	<u>22,086</u>	<u>58,673</u>	<u>80,759</u>	<u>68,709</u>

6. Other Costs

Audit (2020 - Independent examiner)	4,500		4,500	1,800
Management/Administration		11,176	11,176	8,751
	<u>4,500</u>	<u>11,176</u>	<u>15,676</u>	<u>10,551</u>

7. Support Costs

	£	£
Staff/ Contractor Costs	55,155	47,367
Office Running Costs	14,694	14,302
	<u>69,849</u>	<u>61,669</u>

Support costs are allocated on the following percentages based on employee and volunteer hours:
 Education 9% (2020 - 14%), Publicity 16% (2020 – 18%), Library 3% (2020 – 8%), Other 16%
 (2020 – 13%), Books and publications 52% (2020 – 43%), Membership 4% (2020 – 4%).

Esperanto-Asocio De Britio**Notes to the Accounts****For the year ended 31 October 2021 (continued)****8. Staff costs and numbers**

	2021	2020
	£	£
Salaries	29,784	29,370
Defined Contribution Pension Contributions	706	695
	<u>30,490</u>	<u>30,065</u>

No employees received emoluments of more than £60,000 in the year (2020 – none)

The average number of employees during the year was one (2020 – one)

Total remuneration of key management personnel in the year was £55,155 (2020 – 47,367)

9. Trustees Remuneration, Expenses and Related Party Transactions

No trustee received any remuneration during the year. (2020 – nil)

No expenses were paid to trustees (2020: £634 to 9 trustees for travel and incidental expenses).

During the year Mr Tim Owen was engaged as Director of the charity and was paid £24,592. (2020 - £24,570). He is in a co-habiting relationship and financially interdependent with trustee, Clare Hunter. Charity Commission consent was obtained prior to his appointment.

In addition, Tim Owen received an educational grant of £680.

10. Fixed Assets

	Leasehold Premises	Library	Equipment	Total
	£	£	£	£
Cost at 01.11.20 and 31.10.21	<u>183,999</u>	<u>1</u>	<u>5,095</u>	<u>189,095</u>
Depreciation at 01.11.20	34,960		5,095	40,055
Charge for the year	<u>1,840</u>			<u>1,840</u>
Depreciation at 31.10.21	<u>36,800</u>		<u>5,095</u>	<u>41,895</u>
Net Book value 31.10.21	<u>147,199</u>	<u>1</u>	<u>-</u>	<u>147,200</u>
Net Book value 31.10.20	<u>149,039</u>	<u>1</u>	<u>-</u>	<u>149,040</u>

No information on historical cost and accumulated depreciation is available for the library.

Esperanto-Asocio De Britio

Notes to the Accounts

For the year ended 31 October 2021 (continued)

11. Listed Investments	Unrestricted Funds £	Designated Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
UK Listed Investments	2,798,673	614,492	106,032	3,519,197	2,359,422
Scottish Widows Deposit	20,000			20,000	20,000
	<u>2,818,673</u>	<u>614,492</u>	<u>106,032</u>	<u>3,539,197</u>	<u>2,379,422</u>
Listed Investments at 01.11.20	2,269,932		89,490	2,359,422	2,384,578
Additions at cost	477,000	614,776		1,091,776	
Disposals	(427,046)			(427,046)	
Profit on disposal	61,224			61,224	
Increase/(Decrease) in market value	417,563	(284)	16,542		(25,156)
				<u>433,821</u>	
Investments held at 31.10.21	<u>2,798,673</u>	<u>614,492</u>	<u>106,032</u>	<u>3,519,197</u>	<u>2,359,422</u>
Historic cost	<u>1,806,164</u>	<u>614,776</u>	<u>56,000</u>	<u>2,474,714</u>	<u>1,468,847</u>

Listed investments comprise the following:

Holding 31.10.21		2021 £	2020 £
Unrestricted Fund			
434,985	COIF Charities Global Equity Income Fund	1,216,130	549,057
377,618	COIF Charities Ethical Investment Fund	1,156,002	975,048
187,667	Charities Property Fund	240,721	225,542
57,416	BLK Charities UK Equity Fund	-	313,607
30,428	BLK Charities UK Equity ESG Fund	-	52,215
165,911	EdenTree Amity Balanced Fund for Charities	185,820	154,463
		<u>2,798,673</u>	<u>2,269,932</u>
Designated Fund			
548,653	EdenTree Amity Balanced Fund for Charities	614,492	-
Endowment Fund			
34,636	COIF Charities Ethical Investment Fund (Brownlee)	106,032	89,490
		<u>3,519,197</u>	<u>2,359,422</u>

For the year ended 31 October 2021 (continued)

12. Debtors	2021 £	2020 £
VAT	155	157
Other debtors and prepayments	1,731	2,925
	<u>1,886</u>	<u>3,082</u>

13. Creditors: Amounts falling due within one year	2021 £	2020 £
Funds held on behalf of others	8,013	7,181
Other creditors and accruals	28,965	21,123
	<u>36,978</u>	<u>28,304</u>

Funds held on behalf of others are as follows:

	Balance 31.10.20 £	Income £	Expenditure £	Balance 31.10.21 £
Junularo Esperantista Brita	1,006			1,006
Southampton Esperanto Group	1,734			1,734
South Midlands Esperanto Federation	106			106
North West Esperanto Federation	3,301			3,301
Yorkshire Esperanto Federation	689		21	668
Eastern Esperanto Federation		838		838
Scottish Esperanto Association		118	97	15
Esperanto Lobby	2			2
International League of Esperanto Radio Amateurs (British Section)	343			343
	<u>7,181</u>	<u>956</u>	<u>118</u>	<u>8,013</u>

14. Unrestricted Funds	Balance at 31.10.20	Incoming Resources	Resources Expended	Investment Gains	Balance At 31.10.21
Designated Funds					
“Capital Fund”	875,582		1,840		873,742
NoJEF Fund	58,300	565,409	3,214	(284)	620,211
Unrestricted	<u>1,640,148</u>	<u>104,903</u>	<u>93,221</u>	<u>478,787</u>	<u>2,130,617</u>
	<u>2,574,030</u>	<u>670,312</u>	<u>98,275</u>	<u>478,503</u>	<u>3,624,570</u>

The “Capital Fund” represents the sale proceeds of property sold in 1999 less the depreciation charged on the leasehold property.

The NoJEF Fund represents amounts donated by the Norwich Jubilee Esperanto Foundation and designated to further the original purposes of that charity, being the advancement of education in the study and practice of Esperanto, in particular by awarding grants.

Esperanto-Asocio De Britio

Notes to the Accounts

For the year ended 31 October 2021 (continued)

14. continued

Unrestricted Funds	Balance at 31.10.19	Incoming Resources	Resources Expended	Investment Gains	Balance At 31.10.20
Designated Funds					
“Capital Fund”	877,422		1,840		875,582
NoJEF Fund		58,300			58,300
Unrestricted	<u>1,643,757</u>	<u>103,239</u>	<u>79,260</u>	<u>(27,588)</u>	<u>1,640,148</u>
	<u>2,521,179</u>	<u>161,539</u>	<u>81,100</u>	<u>(27,588)</u>	<u>2,574,030</u>

15. Analysis of net assets between funds

	Unrestricted Funds £	Endowment Funds £	Total 2021 £
Tangible Fixed Assets	147,200		147,200
Investments	3,433,165	106,032	3,539,197
Net Current Assets	44,205		44,205
	<u>3,624,570</u>	<u>106,032</u>	<u>3,730,602</u>

Analysis of net assets between funds

	Unrestricted Funds £	Endowment Funds £	Total 2020 £
Tangible Fixed Assets	149,040		149,040
Investments	2,289,932	89,490	2,379,422
Net Current Assets	135,058		135,058
	<u>2,574,030</u>	<u>89,490</u>	<u>2,663,520</u>

16. Operating Lease

In 2002 the Charity entered into a 99 year lease on Esperanto House, the property from which it operates. Rent payable is as follows:

	£
Within one year	1,716
Within two to five years	6,864
After more than five years	128,700