

ESPERANTO-ASOCIO DE BRITIO

Registered Charity no: 272676

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 OCTOBER 2016

The trustees present their annual report and financial statements of the charity for the year ended 31 October 2016. 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 for Smaller Entities published on 16 July 2014.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The purpose of the charity is to advance the education of the public in the international language Esperanto in the furtherance of international communication without discrimination, and of the natural right of all people and peoples, their language and cultures, to be treated equally.

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

- Holding free weekend courses for beginner and post-beginner learners of Esperanto at our headquarters, so that students can take their first steps into Esperanto in a quiet and friendly environment where they will be surrounded by Esperanto's cultural heritage.
- Distributing free of charge or at cost price educational materials to beginners at our events.
- Running affordable single-day courses in London to provide people with opportunities to improve their spoken Esperanto.
- Running a weekend course at Esperanto House to provide more experienced learners with the opportunity to study Esperanto and its literature.
- Providing a book service so that people have easy access to learning materials and Esperanto literature.
- Providing free 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 in order to preserve Esperanto's cultural heritage and provide a research facility for study.
- Encouraging members to participate in local meet-ups 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.
- Presenting Esperanto to the general public through attendance at language events.
- Arranging, hosting and subsidising an annual conference, the central gathering-point for Esperanto-speakers in this country.
- Supporting the Springboard to Languages course for primary school children by providing free materials and consultation when requested.
- Liaising with other Esperanto foundations (Buchanan at the University of Liverpool, the Norwich Jubilee Esperanto Foundation) to support each other's mutual aims.

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A REVIEW OF OUR ACHIEVEMENTS AND PERFORMANCE

Education

- We held our free Lernu and Lernu Plu weekend educational courses for beginners and post-beginners at Esperanto House in April, July and October 2016. These proved extremely successful, with 39 attendees in total across the three dates. Feedback was extremely positive across the board, both from the students and the teachers.
- Our former Somera Festivalo, which had suffered a precipitous fall in numbers in recent years, was revamped as a free weekend course, Somerlernejo, from Esperanto House during August. Jack Warren and Malcolm Jones each took a strand to ensure coverage for people at different levels of capability in Esperanto. 10 people attended. Jack Warren, who was a regular teacher at Somera Festivalo, noted that it was a nice change to see so many younger faces present.
- Learners at our weekend courses were given free educational books (John Wells's dictionary, the vocabulary builder "First Thousand Words in Esperanto") and were offered others at cost price, in order to encourage learning. They were encouraged to help themselves to second-hand books without charge.
- 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. We now shift a greater volume of books by ebay than our bookshop and conferences do combined.
- We ran a Drondo course for intermediate and advanced speakers in London during October 2016, which cost only £10 to attend. It was particularly pleasing to see that four people who had come through our Lernu and Lernu Plu series had signed up.
- Education trustee Ed Robertson continued to be one of the chief contributors to the Esperanto course on Duolingo, which generated 580,000 learners in its first 18 months. Tims Owen and Morley are two of the ten or so acknowledged "spertuloj" who regularly respond to questions raised by the 1000+ Duolingo learners in their Facebook group.
- We sponsored a session of the Esperanto CEFR examinations organised by Renato Corsetti in London in June. Successful candidates were refunded £50 towards the cost of registering for the exams in order to encourage participation.
- Our postal courses and examinations continued to have a steady uptake. Malcolm Jones and Ian Carter tend to have several students at any one time.
- Supporting the University of Liverpool's Buchanan masterclass in April, through promotion in our periodicals and our online presence, paying tutor fees, offering administrative support, and moving our conference early to coincide with date and location, in order to encourage greater participation.
- The charity has sponsored the development of an application to allow Esperanto-speakers to track down other Esperanto-speakers wherever they happen to be.

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Publicity

- EAB had a prominent presence at the International Language Festival which took place at the University of Sheffield in October 2016. Tim Owen and Ian Carter gave taster classes in Esperanto during the weekend. The charity provided financial support to the International Students' Union Committee in order for them to run the event. In return, the charity's name is featured on the ISU Committee's hoodies for a second successive year, and was used in the ISU's videos and interviews with local press.
- Tim Morley gave an Esperanto taster session at the Language Show in London, following an invitation from the event's organisers for EAB to participate.
- The charity sponsored the Polyglot Gathering and thus were entitled to distribute Esperanto promotional material to the assembled language enthusiasts.
- Tim Owen arranged a ceremony in northern France for the jubilee of the death of Harold Bolingbroke Mudie, a pioneer Esperantist. Details of him and the ceremony appeared in print media.
- We have continued to fund the use of an Esperanto account on the site meetup.com, which has facilitated the organisation of regular get-togethers in the Birmingham and Skipton areas. We have encouraged other local groups to follow this model in Update.
- Work has continued on renovating EAB's web presence, with the intention of building a suite of different applications. Whilst the main suite remains under development, specialist one-off pages have been created and used to promote the charity's courses and events to a modern audience, and have resulted in the sign-ups to our events of new people who were not members of EAB.
- Our Facebook page now has 1,264 (2015: 1,084) fans, while the Twitter feed has 1,240 (2015: 1,025) followers.

British Esperanto Conference

- 61 Esperanto-speakers attended the annual conference in Liverpool in March 2016.
- It was very pleasing to see a larger than normal contingent of new and young learners, who received special classes from Anna Lowenstein and Elizabeth Stanley.
- The charity made the conference free to attend for overseas visitors in order to encourage a more international environment for people to practice their Esperanto. Similarly, its invited guest-speaker came from abroad.

Butler Library

- The charity has taken receipt of the collections of the Southern Esperanto Federation, South-West Esperanto Federation, and Yorkshire Esperanto Federation, amounting to several thousand books. It has also received several private collections during the year.
- Tim Owen has started work digitising the 100-plus-year collection of *La Brita Esperantisto* and other items of cultural heritage.

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Other

During the year the trustees undertook a strategic review of the charity's activities and performance. This was part of a longer-time appraisal of staffing, which has, for example, meant that a departing employee with an administrative function was not replaced and the role was deleted from the charity's staffing profile thereafter. The trustees have been concerned for several years that the charity was overly dependent on a dwindling number of volunteers for key, critical tasks, and that its employment expenditure was primarily for administration rather than delivering charitable activity. The trustees are also cognisant that the charity's librarian is in very poor health and that the AGM acknowledged the need for a greater focus on the preservation of Esperanto's cultural heritage, especially the preservation of the Butler Library. It has fallen on a trustee to act as a stand-in.

As a result of the review, the trustees decided to investigate further how the preservation of cultural heritage might be incorporated into the charity's formal object and governing document, a matter which they intend to explore with the Charity Commission over the coming year. The trustees also decided that the investment of the charity's limited funds into research and development projects was not providing optimum value for the public benefit and that research and development would not be a core area of focus for the charity going forward. The post of Co-ordinator for Research and Development was accordingly deleted from the charity's staffing structure, which resulted in the redundancy of the post-holder on 31 August 2016, following completion of a redundancy process.

Closure of Wedgwood Memorial College

Wedgwood Memorial College, on whose Estoril site the charity has its headquarters, has remained closed throughout the year. 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 duration of the lease, irrespective of the future of the college.

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 unfavourable economic climate has continued to impact the level of the charity's investment income.

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Investment policy and performance

The trustees continue to monitor the performance of the charity's investments on a regular basis.

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.

The charity's investments have performed well during the year, mostly outperforming their relevant benchmarks. The Charities Property Fund, for example, has produced a distribution yield of 4.63% and has now outperformed the MSCI All Balanced Funds Property Index for 9 years consecutive years to June 2016. The COIF Charities Global Equity Income Fund produced a gross dividend yield of 4.03% compared to an average of dividend yield of 2.57% from the MSCI World Index over the same period. The COIF Charities Ethical Investment Fund has performed in line with expectations, having a gross dividend yield of 3.73% compared to an average yield of 3.77% from MSCI UK IMI index over the same period.

The trustees will continue to monitor the impact of Brexit on the charity's investments over the coming months.

Membership

Life members = 17 (2015: 20), full members = 293 (2015: 293), family members = 18 (2015: 11), supporters = 24 (2015: 29). Total = 352 (2015: 353).

Reserves

Total funds of the charity amounted to £2,069,915 at 31 October 2016. This comprises endowment funds £72,504, designated funds £882,942 and unrestricted funds of £1,114,469.

The designated fund represents the sale proceeds of a property formerly owned by the charity and sold in 1999. Depreciation charged on leasehold improvements at the charity's current premises is deducted from this fund each year.

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. Actual reserves held have generated sufficient income during the year to enable the charity to continue operating and are expected to do so for the foreseeable future. The trustees therefore believe that the level of reserves held is in line with the reserves policy.

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.

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PLANS FOR THE FUTURE

- Organise a joint British and Scottish Esperanto Conference in Edinburgh in May 2017 in conjunction with the Scottish Esperanto Association (SC042398).
- Launch an overhauled website and continue to further develop our web presence.
- Continue to run free weekend educational courses, including some at Esperanto House and others elsewhere in the country.
- Introduce a new range of free educational courses for intermediate learners and investigate subsidising a visit to Somera Esperanto-Studado in Slovakia for beginners.
- Maintain a regular presence on ebay and update our bookshop offering.
- Investigate the potential to build an online educational course which will dynamically respond to the learners' errors and adjust the course content to support them.
- Investigate buying in services which will concentrate on delivering charitable activity.
- Direct more time resources to the 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.
- Explore possibilities with the trustees of the Norwich Jubilee Esperanto Foundation (313190) for the two charities to achieve their mutual aims and objectives via closer collaboration.
- Remind the members that the charity cannot function without trustees and make general request for others to think about becoming trustees.

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 20 April 2014. 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.

A handbook for trustees, detailing their responsibilities and the current policies of the charity, is available on the charity's website and is regularly reviewed and updated. New trustees are sent copies of recent minutes. The first full committee meeting after the election is a residential planning weekend where induction is completed.

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.

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REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees

The Management Committee are the trustees of the charity. Those who served from 1 November 2015 to 31 October 2016 were:

Paul Gubbins (President until resignation on 15 December 2015)
Ian Carter (appointed President on 18 March 2016)
Edmund Grimley Evans (Vice president)
Tim Owen (Secretary) (resigned 15 December 2016)
Clare Hunter (Treasurer)
Ed Robertson
Paul Dennett (resigned 7 December 2015)

The trustees were deeply saddened by news of the death of former president Paul Gubbins on 6 August 2016.

Staff and 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 |
Co-ordinator for Research and Development: Angela Tellier | **Honorary Librarian:** Geoffrey King | **Compiler of La Brita Esperantisto:** Simon Davies | **Webmaster:** Bill Walker

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 examiner

AP 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.

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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 applicable 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 25 February 2017 and signed on their behalf by:

Clare Hunter