

Registered number: 04118489

Charity number: 1096577

THE RATIONALIST ASSOCIATION
(A Company Limited by Guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

THE RATIONALIST ASSOCIATION
(A Company Limited by Guarantee)

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees	Clive Coen	Chair
	Colin Brewer	Trustee
	John Emanuel	Trustee
	Rosemary Emanuel	Trustee
	Naomi Goulder	Trustee (resigned 10 May 2021)
	Caspar Melville	Trustee
	Suzanne Hobson	Trustee (appointed 25 January 2020)
Company registered number	04118489	
Charity registered number	1096577	
Registered office	The Green House 244-254 Cambridge Heath Road London E2 9DA	
Company secretary	N/A	
Chief executive officer	N/A	
Accountants	Calculus Audit Services Chartered Accountants Independent examiner 5 Priory Road Loughton Essex IG10 1AF	
Bankers	The Co-Operative bank Plc Olympic House PO Box 250 Delf House Skelmersdale WN8 6WJ	

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The Trustees, who are also the directors of the charitable company for the purposes of the Companies Act, present their annual report together with the financial statements of The Rationalist Association for the year 1 January 2020 to 31 December 2020. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) 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).

Since the charitable company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

The charity is a charitable company limited by guarantee without share capital and was set up on 1 December 2000. It is governed by a Memorandum and Articles of Association. Its objects are to promote rational inquiry in place of doctrine, and to encourage ethical living free from supernatural beliefs. We undertake our advocacy through our website, publication of the quarterly print magazine *New Humanist* and production of podcasts.

Reference and administrative details of the charity, its trustees and advisers

This is set out on page 1.

Objectives and activities

a. Activities undertaken to achieve objectives

The Rationalist Association aims to promote rational inquiry based on evidence in pursuit of its charitable object, the advancement of rationalism and humanism; and to demonstrate that a moral life is possible - indeed preferable, based upon a naturalistic and scientific understanding of the world and humanity's place in it. A great deal of this work is achieved through the medium of *New Humanist* magazine, but also through other channels such as our website, public talks and social media.

b. Volunteers

The charity does not make significant use of volunteers, other than the trustees, who are grateful for the efforts of its members and supporters who work towards achieving its objects as volunteers.

c. Main activities undertaken to further the charitable company's purposes for the public benefit

The main activity of the charity is promoting rationalism and humanism through the publication of *New Humanist* magazine, the *New Humanist* website and other media. The key measures of success in achieving the charity's objectives are the numbers of new members, 28, and new magazine subscriptions, 572. There is a natural loss of members and subscribers due to death and change in circumstances.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

New Humanist is published quarterly, in full colour. We aim for *New Humanist* to reach a wide audience for the promotion of our ideals, and the benefit of recipients. Through subscriptions and bookshop sales, we obtain income from those who, whether currently supporters or not, are able to pay. Then, within the resources this makes available, we give away free copies to a range of schools, libraries, prisons and individuals who cannot afford to pay. We publish the majority of the magazine content, and original web-only articles and reviews, on our website, which is free to use for all who have access to a computer. We also produce regular newsletters which are free.

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The Rationalist Association also plays an important role in public advocacy, publicising and educating about rationalist and humanist values at literary events, such as the Stoke Newington Literary Festival. We also aim to make *New Humanist* a resource for the wider humanist and atheist movements, covering campaigns by the BHA and National Secular Society among others.

All this charitable activity is made possible by past and present benefactors whose legacies, donations and membership subscriptions enable us to support the promotion of rationalism and humanism to as many people as possible, regardless of whether they are able to pay.

Achievements and performance

a. Main achievements of the charitable company

Following the resignation of Daniel Trilling at the end of 2019, after nearly ten years as editor of *New Humanist*, Samira Shackle, the deputy editor, was promoted to editor. Despite inevitable problems arising from the pandemic, the production and distribution of the magazine have been sustained. Subscriptions for the magazine remained stable. However, sales via newsagents were diminished as a consequence of the pandemic. The Association is committed to maintaining high standards for the publication and actively seeks thoughtful contributors in a range of humanist and rationalist fields. Alongside the quarterly print and digital versions of the magazine we have also commissioned and published topical articles on our website.

In 2020 we continued the work we started in 2017 to launch additional income stream projects that are expected to generate income, one of which has been the digitization of our magazine archive, which is available to RA members; this project was enabled by the generous support of D J Stewart. Our digital archive is offered to institutions as a subscription service.

Income during the year from our magazine *New Humanist* was down slightly on last year due to diminished sales at newsagents due to the pandemic but income from subscriptions remained stable at £74K. Expenditure on charitable activities remained in line with expectation.

The number of RA members at the end of 2020 was 403 (2019: 428). On average some 7044 copies of the magazine were printed each quarter for distribution. This includes free distribution of *New Humanist* to prison libraries as part of our charitable objectives.

During 2020, we received a further £100,000 of the substantial legacy for which we had received notification in 2018; the final tranche of £25,000 arrived in 2021. Some of these funds are being used to strengthen the Association's financial standing and some will be used to broaden its activities.

b. Investment policy and performance

The trustees invest reserves that are not required for short-term operational cash flow in medium term investment funds that enable repayment when required while also providing an income and future growth potential. The trustees always consider the social, environmental, and ethical impact of any investment. The Association's investments are therefore with COIF Charities Ethical Investment Fund and M&G Equities Investment Fund for Charities

An annual budget for investment income is set and compared to the income received in monitoring the performance of the investment managers.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charitable company

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has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The trustees have examined the charity's requirements for reserves in light of the main risks to the organisation. They have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be approximately 12 months of expenditure, which at current levels amounts to approximately £215K. The trustees are pleased to report that unrestricted reserves are currently 6 times this threshold, however, income and expenditure on activities have diminished in recent years and the trustees plan to reverse this trend, so the current level of reserves is not felt to be excessive. Recent guidance from the Charity Commission recommends that charities should hold up to 6 months operating costs in reserves, which at current levels would be £108K

c. Deficit

During the year the charity received incoming resources of £106,503 (2019: £1,127,326) and had outgoing resources of £215,195 (2019: £283,036) and recognised investment losses of £125,332 (2019: gains £102,947), leaving reserves carried forward of £1,402,008 (2019: £1,636,032) (after a deficit for the year of £234,024 (2019: surplus of £953,027)) of which £1,273,270 are unrestricted (2019: £1,504,127). The deficit before investment losses was £108,692 (2019: surplus £850,080).

d. Principal funding

The principal sources of revenue during 2020 were: membership and magazine subscriptions £67,788 (2019: £66,807), grants and donations £3,477 (2019: £42,145), investment income £28,696 (2019: £38,194) magazine and other sales £5,823 (2019: £17,443). Legacies £243 (2019: Legacies £961,000) The Association did not sell any investments during the year (Sale of investments in 2019: £52,783). These have been used to support production of *New Humanist* and services to members.

Structure, governance and management

a. Governing Document

The organisation is a Charitable Company Limited by Guarantee, incorporated on 1 December 2000 and registered as a charity on 18 March 2003. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. The Memorandum and Articles were revised by special resolution on 2 December 2019.

b. Recruitment and Appointment of the Board of Directors/Trustees

The management of the charitable company is the responsibility of the trustees who are elected and co-opted under the terms of the Memorandum of Association.

One third of the trustees shall retire by rotation. Unless otherwise determined by the Charity in general meeting, the term of office of a trustee shall continue until he retires or is removed in accordance with the relevant provisions of the Articles. The appointment of trustees is in accordance with the provisions of the company's Articles of Association and each individual's term in office is restricted to a maximum of 6 years, unless approved by the Annual General Meeting (AGM) in exceptional circumstances.

c. Organisational structure and decision-making policies

The Charity is governed by its trustees, who are also the directors and meet regularly to manage its affairs. During the year ended 31 December 2020 the charity engaged three staff, making up a maximum of 0.8 full-time equivalent, who supported the charitable activities, financial arrangements and day-to-day administration. This team is supported and assisted by two part-time editorial consultants in producing the *New Humanist* magazine. Day-to-day management is delegated to the chief executive officer (CEO) who left

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in July 2019 and was replaced in October 2020, the accountant, and the editorial team. Following the CEO's departure individual trustees took responsibility for specific areas such as personnel, membership and finance to support and oversee the staff and consultants. The trustees make the major decisions regarding the funds of the charity, while the CEO and editor have authority to spend in line with the approved budget. The trustees approve the purchase or sale of major property assets, new projects and other decisions with major funding implications.

d. Financial risk management

The Board of Directors has conducted a review of the major risks to which the charity is exposed. Appropriate systems or procedures are established to mitigate the risks the charity faces, including insurance arrangements (which includes directors' and officers' liability insurance).

The directors do not envisage any significant external risks to funding which will not be met by legacies, donations and reserves. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures have been put in place to ensure the compliance with health and safety of staff, consultants, trustees, volunteers, and visitors.

Following this review the Trustees are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Positive and negative influences on the year and future plans

The charity's finances have been greatly helped by the significant legacy recognised in the year. This will allow the Association to update and improve the website. The consequences of the pandemic have delayed these plans and the development of digital service offerings.

Plans for future periods

Our objective in 2021 is to continue to extend the reputation and audience of *New Humanist*, in print and online. In order to broaden the services offered by the Association and enable more interactivity with, and between, its members and followers, the charity plans to improve its website and to continue to produce our series of podcasts by eminent speakers. The legacy funds received during the year will enable the charity to replace outdated equipment and software, update its website and use digital technology in order to deliver more services online and digitally.

In addition, the trustees will undertake a strategic review which will provide the charity with a clear line of direction.

Covid 19

Although the COVID-19 pandemic has necessarily affected the day-to-day operation of the organisation, the staff and Trustees have evolved new ways of working and following an investment in new equipment and software our staff have largely been able to work from home. Our premises have been equipped with screens to enable safe social distancing in the office. We have managed to continue to produce the magazine as normal, and income from subscriptions and memberships remain stable although sales of the magazine at commercial outlets have been diminished.

The financial impact has been largely due to the downturn in world equity markets, some of the fall has been recovered. This does not affect cash balances.

Fundraising Standards Information

RA's fundraising activities are currently based on promoting subscriptions to the *New Humanist* magazine and membership of the RA. In addition, we have been in receipt of legacies.

Presently, income generating work is carried out by our Subscriptions and Membership manager and

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promoted through our website and social media activities. Our Deputy Editor works alongside our Subscriptions and Membership manager and with a following of 33K on Twitter and 16K on Facebook, we have a wide reach.

The Association complies with the Fundraising Code of Practice regulations that came into effect in October 2019 and conducts its fundraising efforts in line with the NCVO Trusted Charity quality mark standards. There were no reported incidents of regulation breach or complaints made about any of our fundraisers.

In line with our GDPR and safeguarding policies, we send newsletters only to subscribers and members and provide an opt-in consent button. An unsubscribe button is available on every mailing to allow for easy and instant termination of messages at the recipient's request.

We have not engaged in any social media-based crowd funding campaigns in the year 2020. Donations are received from subscribers and members online through our website.

Funds held as Custodian Trustee on behalf of others

The charity does not receive or hold funds for the benefit of others.

Reporting accountants and independent examiners

Calculus Audit Services were appointed as the charitable company's accountants and independent examiners at the 2020 AGM and have expressed their willingness to continue in that capacity.

Compliance with laws and regulations

The Trustees confirm that the charity has complied with all legal and regulatory requirements for charitable companies registered under the Companies Act 2006 and the Charities Act 2011.

Small Companies Exemption

The report of the directors has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

Approved for issue by order of the members of the board of Trustees on 11 November 2021 and signed on their behalf by:


Clive Coen (Nov 30, 2021 20:55 GMT)

Clive Coen
Chair of the Trustees

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

Approved by order of the members of the board of Trustees on 11 November 2021 and signed on its behalf by:

Clive Coen
Clive Coen (Nov 30, 2021 20:55 GMT)

Clive Coen
Chair of the Trustees

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INDEPENDENT EXAMINERS REPORT TO THE TRUSTEES TO THE RATIONALIST ASSOCIATION ('THE CHARITABLE COMPANY') FOR THE YEAR ENDED 31 DECEMBER 2020

I report to the charity Trustees on my examination of the accounts of the charitable company for the year ended 31 December 2020.

Responsibilities and Basis of Report

As the Trustees of the charitable company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charitable company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the charitable company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charitable company's Trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company and the charitable company's Trustees as a body, for my work or for this report.

Signed: *James Lambden*

Dated: Nov 30, 2021

James Lambden FCA CTA
Independent examiner
Calculus Audit Services
5 Priory Road
Loughton
Essex, IG10 1AF

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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	3	2,238	1,239	3,477	1,002,511
Charitable activities	4	73,611	-	73,611	84,250
Other trading activities	5	-	-	-	634
Investments	6	25,968	2,728	28,696	38,194
Other income	7	719	-	719	1,738
Total income		<u>102,536</u>	<u>3,967</u>	<u>106,503</u>	<u>1,127,327</u>
Expenditure on:					
Raising funds	8	210	-	210	1,060
Charitable activities	9	213,746	1,239	214,985	281,976
Total expenditure		<u>213,956</u>	<u>1,239</u>	<u>215,195</u>	<u>283,036</u>
Net (losses)/gains on investments		(119,437)	(5,895)	(125,332)	108,737
Net movement in funds		<u>(230,857)</u>	<u>(3,167)</u>	<u>(234,024)</u>	<u>953,028</u>
Reconciliation of funds:					
Total funds brought forward		1,504,127	131,905	1,636,032	683,004
Net movement in funds		(230,857)	(3,167)	(234,024)	953,028
Total funds carried forward		<u>1,273,270</u>	<u>128,738</u>	<u>1,402,008</u>	<u>1,636,032</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 11 to 25 form part of these financial statements.

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REGISTERED NUMBER: 04118489

BALANCE SHEET AS AT 31 DECEMBER 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	14		4,778		-
Investments	15		597,068		722,400
			<u>601,846</u>		<u>722,400</u>
Current assets					
Stocks	16	2,000		2,000	
Debtors	17	18,245		113,611	
Investments	18	700,000		-	
Cash at bank and in hand		139,790		899,799	
		<u>860,035</u>		<u>1,015,410</u>	
Creditors: amounts falling due within one year	19	(59,873)		(101,778)	
Net current assets			<u>800,162</u>		<u>913,632</u>
Total assets less current liabilities			<u>1,402,008</u>		<u>1,636,032</u>
Net assets excluding pension asset			<u>1,402,008</u>		<u>1,636,032</u>
Total net assets			<u><u>1,402,008</u></u>		<u><u>1,636,032</u></u>
Charity funds					
Restricted funds	22	128,738		131,905	
Unrestricted funds	22	1,273,270		1,504,127	
Total funds			<u><u>1,402,008</u></u>		<u><u>1,636,032</u></u>

The charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees on 11 November 2021 and signed on their behalf by:

Clive Coen
Clive Coen (Nov 30, 2021 20:55 GMT)

Clive Coen
(Trustee)

Caspar Melville

Caspar Melville
(Trustee)

The notes on pages 11 to 25 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

The charity is a private company limited by guarantee registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is shown on page 1 of these financial statements. The nature of the charity's operations and principal activities are the promotion of rationalism and humanism through the publication of New Humanist magazine, the New Humanist website and other media.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019.

Rationalist Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The charity has availed itself of Paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.2 Going concern

In the medium term the charity is dependent on continuing donations and legacies from members and supporters, as a consequence, the going concern basis is also dependent on these donations and legacies continuing. There is no indication that they will be discontinued in the foreseeable future.

2.3 Income

All income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the charitable company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the charitable company, can be reliably measured.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.3 Income (continued)

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the charitable company's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the charitable company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charitable company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Taxation

The charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charitable company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £300 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Fixtures and fittings	- Over 3 to 5 years
Office equipment	- Over 3 to 5 years
Other fixed assets	- Over 3 to 5 years

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

THE RATIONALIST ASSOCIATION

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.13 Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.15 Pensions

The charitable company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charitable company to the fund in respect of the year.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.17 Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements.

The key assumptions concerning the future and at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Tangible fixed assets: tangible fixed assets are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives factors such as technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Other key sources of estimation uncertainty and assumptions:

Allocation of administration costs: a proportion of expenditure is either not directly attributable to specific projects or related to the central administration of the charity. In determining how to allocate these costs the trustees have considered the level of activities in each project, use of facilities and administrative support.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Donations	1,995	1,239	3,234
Legacies	243	-	243
	<u>2,238</u>	<u>1,239</u>	<u>3,477</u>
	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations	3,238	38,273	41,511
Legacies	961,000	-	961,000
	<u>964,238</u>	<u>38,273</u>	<u>1,002,511</u>

4. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £
Income from charitable activities - Direct costs - Production of New Humanist Magazine	63,152	63,152
Income from charitable activities - Direct costs - Member services	10,459	10,459
	<u>73,611</u>	<u>73,611</u>
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Income from charitable activities - Direct costs - Production of New Humanist Magazine	74,256	74,256
Income from charitable activities - Direct costs - Member services	9,994	9,994
	<u>84,250</u>	<u>84,250</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

5. Income from other trading activities

Income from fundraising events

	Total funds 2020 £
Events	-

	<i>Unrestricted funds</i> 2019 £	<i>Total funds</i> 2019 £
Events	634	634

6. Investment income

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Income from local listed investments	25,752	2,728	28,480
Investment income - local cash	216	-	216
	25,968	2,728	28,696

	<i>Unrestricted funds</i> 2019 £	<i>Restricted funds</i> 2019 £	<i>Total funds</i> 2019 £
Income from local listed investments	34,535	3,659	38,194

7. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £
Employment Allowance	719	719

	<i>Unrestricted funds</i> 2019 £	<i>Total funds</i> 2019 £
Employment Allowance	1,738	1,738

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

8. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2020 £	Total funds 2020 £
Allocated centrally incurred fundraising and governance costs	210	210

Costs of raising voluntary income (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Allocated centrally incurred fundraising and governance costs	1,060	1,060

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Direct costs - Production of New Humanist Magazine	179,021	-	179,021
Direct costs - Digitisation project	2,837	1,239	4,076
Direct costs - Legal costs	26	-	26
Direct costs - Support and governance costs	31,862	-	31,862
Total 2020	213,746	1,239	214,985

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Direct costs - Production of New Humanist Magazine	170,703	-	170,703
Direct costs - Digitisation project	2,092	3,273	5,365
Direct costs - Legal costs	69,702	-	69,702
Direct costs - Support and governance costs	36,206	-	36,206
	278,703	3,273	281,976

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

10. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Direct costs - Production of New Humanist Magazine	142,893	36,128	179,021
Direct costs - Digitisation project	4,077	-	4,077
Direct costs - Legal costs	26	-	26
Direct costs - Support and governance costs	-	31,862	31,862
	<u>146,996</u>	<u>67,990</u>	<u>214,985</u>
	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Direct costs - Production of New Humanist Magazine	136,463	34,240	170,703
Direct costs - Digitisation project	5,365	-	5,365
Direct costs - Legal costs	69,702	-	69,702
Direct costs - Support and governance costs	-	36,206	36,206
	<u>211,530</u>	<u>70,446</u>	<u>281,976</u>

11. Independent examiner's remuneration

The independent examiner's remuneration amounts to an independent examiner fee of £2,200 (2019 - £4,150), and accounts preparation and general advice of £1,350 (2019 - £1,350).

12. Staff costs

	2020 £	2019 £
Wages and salaries	78,721	88,096
Social security costs	719	1,755
Contribution to defined contribution pension schemes	1,395	2,338
	<u>80,835</u>	<u>92,189</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

12. Staff costs (continued)

The average number of persons employed by the charitable company during the year was as follows:

	2020 Number	2019 Number
Charitable activities	0.6	0.3
Management and administration	0.2	0.2
	<u>0.8</u>	<u>0.5</u>

No employee received remuneration amounting to more than £60,000 in either year.

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL-).

During the year ended 31 December 2020, no Trustee expenses have been incurred (2019 - £NIL).

14. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Other fixed assets £	Total £
Cost or valuation				
At 1 January 2020	4,946	16,741	10,310	31,997
Additions	-	6,371	-	6,371
	<u>4,946</u>	<u>23,112</u>	<u>10,310</u>	<u>38,368</u>
At 31 December 2020				
	4,946	16,741	10,310	31,997
Charge for the year	-	1,593	-	1,593
	<u>4,946</u>	<u>18,334</u>	<u>10,310</u>	<u>33,590</u>
At 31 December 2020				
	-	4,778	-	4,778
At 31 December 2020				
	-	-	-	-
At 31 December 2019				

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

15. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2020	722,400
Revaluations	(125,332)
At 31 December 2020	<u>597,068</u>
 Net book value	
At 31 December 2020	597,068
<i>At 31 December 2019</i>	<u>722,400</u>

16. Stocks

	2020 £	2019 £
Finished goods and goods for resale	<u>2,000</u>	<u>2,000</u>

17. Debtors

	2020 £	2019 £
Due after more than one year		
Other debtors	1,884	1,884
	<u>1,884</u>	<u>1,884</u>
Due within one year		
Other debtors	3,344	5,734
Prepayments and accrued income	13,017	105,993
	<u>18,245</u>	<u>113,611</u>

18. Current asset investments

	2020 £	2019 £
Unlisted investments	<u>700,000</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

19. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	1,948	2,540
Other taxation and social security	-	54
Pension contributions payable	12,115	11,210
Other creditors	472	472
Accruals and deferred income	45,338	87,502
	59,873	101,778

20. Financial instruments

	2020	2019
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	839,790	899,799

Financial assets measured at fair value through income and expenditure comprise bank balances.

21. Deferred income

	Magazine subscrip- tions	Member- ship subscrip- tions	Donations	2019 £	2019 £
Balance brought forward	29,134	5,167	1,727	36,028	40,842
Released to statement of financial activities	(29,134)	(5,167)	(1,239)	(35,540)	(39,115)
Deferred during the year	28,279	4,821	-	33,100	34,301
Balance carried forward	28,279	4,821	488	33,588	40,842

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

22. Statement of funds

Statement of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds						
General Funds	1,181,304	39,384	(34,935)	(115,869)	-	1,069,884
Revaluation reserve	322,823	-	-	-	(119,437)	203,386
New Humanist	-	63,152	(179,021)	115,869	-	-
	<u>1,504,127</u>	<u>102,536</u>	<u>(213,956)</u>	<u>-</u>	<u>(119,437)</u>	<u>1,273,270</u>
Restricted funds						
Restricted Fund - relief fund	50,000	-	-	-	-	50,000
Restricted Fund - Digitise	60,279	1,239	(1,239)	-	-	60,279
Restricted Revaluation Reserve	21,626	2,728	-	-	(5,895)	18,459
	<u>131,905</u>	<u>3,967</u>	<u>(1,239)</u>	<u>-</u>	<u>(5,895)</u>	<u>128,738</u>
Total of funds	<u>1,636,032</u>	<u>106,503</u>	<u>(215,195)</u>	<u>-</u>	<u>(125,332)</u>	<u>1,402,008</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

22. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2019 £</i>
Unrestricted funds						
General Funds	368,606	1,011,148	(143,781)	(60,459)	5,790	1,181,304
Revaluation reserve	231,349	-	-	(1,266)	92,740	322,823
New Humanist	-	74,257	(135,982)	61,725	-	-
	<u>599,955</u>	<u>1,085,405</u>	<u>(279,763)</u>	<u>-</u>	<u>98,530</u>	<u>1,504,127</u>
Restricted funds						
Restricted Fund - relief fund	50,000	-	-	-	-	50,000
Restricted Fund - Digitise	21,631	41,921	(3,273)	-	-	60,279
Restricted Revaluation Reserve	11,419	-	-	-	10,207	21,626
	<u>83,050</u>	<u>41,921</u>	<u>(3,273)</u>	<u>-</u>	<u>10,207</u>	<u>131,905</u>
Total of funds	<u>683,005</u>	<u>1,127,326</u>	<u>(283,036)</u>	<u>-</u>	<u>108,737</u>	<u>1,636,032</u>

THE RATIONALIST ASSOCIATION

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

23. Summary of funds

Summary of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
General funds	1,504,127	102,536	(213,956)	-	(119,437)	1,273,270
Restricted funds	131,905	3,967	(1,239)	-	(5,895)	128,738
	<u>1,636,032</u>	<u>106,503</u>	<u>(215,195)</u>	<u>-</u>	<u>(125,332)</u>	<u>1,402,008</u>

Summary of funds - prior year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
General funds	599,955	1,085,405	(279,763)	-	98,530	1,504,127
Restricted funds	83,050	41,921	(3,273)	-	10,207	131,905
	<u>683,005</u>	<u>1,127,326</u>	<u>(283,036)</u>	<u>-</u>	<u>108,737</u>	<u>1,636,032</u>

THE RATIONALIST ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

24. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	4,778	-	4,778
Fixed asset investments	528,609	68,459	597,068
Debtors due after more than one year	1,884	-	1,884
Current assets	797,872	60,279	858,151
Creditors due within one year	(59,873)	-	(59,873)
Total	<u>1,273,270</u>	<u>128,738</u>	<u>1,402,008</u>

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Fixed asset investments	650,774	71,626	722,400
Debtors due after more than one year	1,884	-	1,884
Current assets	953,247	60,279	1,013,526
Creditors due within one year	(101,778)	-	(101,778)
Total	<u>1,504,127</u>	<u>131,905</u>	<u>1,636,032</u>

25. Pension commitments

The charity operates a defined contribution pension scheme for staff and has no commitments other than the monthly contributions which are paid via direct debit, employees have the option of selecting their own pension provider in which case contributions are accumulated until the direct debit is set up with the provider.

26. Operating lease commitments

At 31 December 2020 the charitable company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	19,052	19,052
Later than 1 year and not later than 5 years	42,868	61,920
	<u>61,920</u>	<u>80,972</u>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2020 £	2019 £
Operating lease rentals	<u>15,362</u>	<u>14,970</u>











Rationalist Association Accounts (2020) - Final v2-4 for signing

Final Audit Report

2021-11-30

Created:	2021-11-29
By:	James Lambden (james.lambden@hotmail.co.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAAYCfRMtp2qrKbHa0hsSMnoY_LzVivTJaO

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