



# **Humanists**

## **INTERNATIONAL**

**INTERNATIONAL HUMANIST AND ETHICAL UNION**

**(operating as HUMANISTS INTERNATIONAL)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2018**

**COMPANY NUMBER FC 020642**

Humanists International is a trading name of the International Humanist and Ethical Union.

# INTERNATIONAL HUMANIST AND ETHICAL UNION

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2018

The Directors of the International Humanist and Ethical Union (IHEU), operating as Humanists International, present their annual report with the annual accounts of the company for the year ended 31st December 2018. The accounts have been prepared in accordance with the accounting policies set out in Note 1 and comply with current statutory requirements.

IHEU is the world federation of organizations making up the global humanist movement, inclusive of all nontheistic traditions such as humanist, atheist, rationalist, secularist, laique, ethical culture, freethought, and skeptic.

We want a secular world in which human rights are respected and everyone is able to live a life of dignity.

We work to build and represent the global humanist movement that defends human rights and promotes Humanist values world-wide.

Our Aims are:

- We will have successful and sustainable member organisations in every part of the world
- We will create a coordinated global movement by supporting and developing our network
- We will influence and shape international and regional government policies
- We will have sufficient reputation, resources, and effectiveness to achieve our objectives

## LEGAL AND ADMINISTRATIVE DETAILS

The IHEU is a Membership Corporation pursuant to the Membership Corporation law of the State of New York. It is registered in England and Wales under the Companies Act as an overseas company having established a place of business in England and Wales. The company has no capital stock and is not conducted for profit.

All assets remaining upon liquidation of the company shall be distributed solely for the purposes of furthering humanist and ethical associations in the bylaws of the company, subject to the approval of the Supreme Court of the State of New York.

The Directors who are responsible for the management of the company are the elected members of the Board. They are elected by the General Assembly of representatives of Member Organizations, which is also the policy making body of the company.

Company registration number FC 020642 England and Wales

Directors/Board Members serving during the year:

President	Mr Andrew Copson	(British)	
Vice President	Ms Anne-France Ketelaer	(Belgian)	
Treasurer	Mr Boris Van Der Ham	(Dutch)	from 5 August 2018
	Mr Roar Johnsen	(Norwegian)	until 5 August 2018
Board Members:	Ms Rebecca Hale	(American)	
	Ms Gulalai Ismail	(Pakistani)	
	Ms Kristin Mile	(Norwegian)	from 5 August 2018
	Mr Kato Mukasa	(Ugandan)	
	Mr Uttam Niraula	(Nepalese)	
	Mr David Pineda	(Guatemalan)	
	Mr Rein Zunderdorp	(Dutch)	until 5 August 2018

UK Registered Office: 39 Moreland Street, London, EC1V 8BB

Auditors: Knox Cropper, 65 Leadenhall Street, London EC3A 2AD

# **INTERNATIONAL HUMANIST AND ETHICAL UNION**

## **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2018**

### **STAFF**

Chief Executive	Gary McLelland
Director of Communications & Campaigns	Bob Churchill
Director of Advocacy	Elizabeth O'Casey
Growth and Development Officer	Giovanni Gaetani

The names of volunteer representatives, who are the Company's members, are given on our website: [humanists.international](http://humanists.international)

### **PRINCIPAL ACTIVITIES**

2018 was a very busy year for Humanists International.

This year saw the Board and staff continue to plan for a smooth roll-out of our new branding, including a full consultation with our Member Organisations around the world.

For the second year in a row we launched a successful Humanists at Risk crowdfunding campaign, which this year raised over £20,000.

Thanks to funding from the Norwegian Humanist Association we began work for a new website which will include a searchable policy database of all Humanists International's policies since 1952.

For the first time in several years we represented our members at the African Commission on Human and Peoples Rights. We also held a successful General Assembly in Auckland, New Zealand.

### **FINANCIAL REVIEW**

The result for the year is disclosed in the income and expenditure account on page 7.

### **FUTURE PLANS**

In October 2018 the Board adopted a revised strategy, centred around four strategic aims:

- We will have successful and sustainable member organisations in every part of the world;
- We will create a coordinated global movement by supporting and developing our network;
- We will influence and shape international and regional government policies, and;
- We will have sufficient reputation, resources, and effectiveness to achieve our objectives.

More information can be found on our website at: [www.humanists.international/about](http://www.humanists.international/about)



# INTERNATIONAL HUMANIST AND ETHICAL UNION

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2018

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

### DISCLOSURE OF INFORMATION TO AUDITORS

The Directors confirm that, in the case of each of the persons who are Directors at the date of this report, the following applies:

- so far as each Director is aware, there is no relevant audit information (information needed by the Company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- each Director has taken all the steps necessary to make herself/himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### AUDITORS

In accordance with Section 485 of the Companies Act 2006 Messrs. Knox Cropper, having indicated their willingness to act, will be proposed for re-appointment at the Annual General Meeting.

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

BY ORDER OF THE BOARD

  
\_\_\_\_\_  
Andrew Copson

16<sup>th</sup> February 2019

# **INTERNATIONAL HUMANIST AND ETHICAL UNION**

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INTERNATIONAL HUMANIST AND ETHICAL UNION**

### **Opinion**

We have audited the financial statements of International Humanist and Ethical Union (the 'company') for the year ended 31 December 2018 which comprise the Income and Expenditure Account, the Balance Sheet and related notes. 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).

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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, 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.



# INTERNATIONAL HUMANIST AND ETHICAL UNION

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INTERNATIONAL HUMANIST AND ETHICAL UNION

### Opinion on other matters prescribed by the Companies Act 2006

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

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

### Matters on which we are required to report by exception

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

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

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

### Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out in the Report of the Directors, the directors 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 directors determine 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Our responsibilities for the audit of the financial statements

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

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



Richard Billinghamurst (Senior Statutory Auditor)  
for and on behalf of Knox Cropper  
65 Leadenhall Street  
London  
EC3A 2AD

Date: 18<sup>th</sup> February 2019

# INTERNATIONAL HUMANIST AND ETHICAL UNION

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 2018

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2018 £	Total 2017 £
Turnover	2	198,182	259	-	198,441	166,208
Operating Costs	3	(305,700)	(13,884)	(6,070)	(325,654)	(390,237)
<b>Operating Surplus/(Deficit)</b>	4	<b>(107,518)</b>	<b>(13,625)</b>	<b>(6,070)</b>	<b>(127,213)</b>	<b>(224,029)</b>
<b>Investment Income</b>						
Overseas Interest Receivable		3,587	-	-	3,587	1,746
Interest Receivable		47	-	-	47	4
Dividends Receivable		-	-	40,700	40,700	38,500
Exchange Gains/(Losses)		43,605	-	100,978	144,583	(241,176)
		47,239	-	141,678	188,917	(200,926)
<b>Gains/(Losses) on Investments</b>						
Realised Gains	7	-	-	84	84	13,284
Surplus on ordinary activities before tax		(60,279)	(13,625)	135,692	61,788	(411,671)
Taxation	5,6	(10)	-	-	(10)	-
Surplus on ordinary activities after tax and before transfers		(60,289)	(13,625)	135,692	61,778	(411,671)
Transfers		75,000	-	(75,000)	-	-
Surplus on ordinary activities after tax and transfers		14,711	(13,625)	60,692	61,778	(411,671)
<b>Statement of total recognised gains and losses</b>						
Surplus on Ordinary Activities after Tax and Transfers		14,711	(13,625)	60,692	61,778	(411,671)
Unrealised (Losses)/Gains on Investments	7	-	-	(184,136)	(184,136)	198,090
Total (Losses)/Gains recognised in the year		14,711	(13,625)	(123,444)	(122,358)	(213,581)
Funds Brought Forward at 1st January		229,633	323,957	2,111,824	2,665,414	2,878,995
Funds Carried Forward at 31st December		£244,344	£310,332	£1,988,380	£2,543,056	£2,665,414

# INTERNATIONAL HUMANIST AND ETHICAL UNION

## BALANCE SHEET

FOR THE YEAR ENDED 31ST DECEMBER 2018

	Notes	2018		2017	
		£	£	£	£
Investments	7		1,807,743		1,854,555
<b>Current Assets:</b>					
Debtors	8	4,091		7,109	
Cash at Bank		<u>777,725</u>		<u>824,206</u>	
		781,816		831,315	
<b>Less Creditors:</b>					
Creditors: Amounts falling due within one year	9	<u>(46,503)</u>		<u>(20,456)</u>	
Net Current Assets			<u>735,313</u>		<u>810,859</u>
Total Current Assets less Current Liabilities			<u>£2,543,056</u>		<u>£2,665,414</u>
<b>Capital and Reserves</b>					
Revaluation Reserve	10	52,410		224,410	
Endowment Funds	10	<u>1,935,970</u>		<u>1,887,414</u>	
			1,988,380		2,111,824
Restricted Fund	11		310,332		323,957
General Fund	12		<u>244,344</u>		<u>229,633</u>
<b>TOTAL FUNDS</b>			<u>£2,543,056</u>		<u>£2,665,414</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The accounts were approved by the Directors on 16<sup>th</sup> February 2019.

Signed on behalf of the Board of Directors



Boris Van Der Ham

Company number: FC 020642



# INTERNATIONAL HUMANIST AND ETHICAL UNION

## NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2018

### 1. ACCOUNTING POLICIES

#### (a) **Basis of Accounting**

The financial statements of the company, which is a public benefit entity under FRS 102, have been prepared on a historical cost basis and in accordance with the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Although the International Humanist and Ethical Union is not a registered Charity, its objects and activities are essentially philanthropic. The format of the Income and Expenditure Account has therefore been modified to reflect the requirements of 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).

The presentation currency of the financial statements is Pounds Sterling.

The Directors consider that there are no material uncertainties about the Company's ability to continue as a going concern.

#### (b) **Turnover**

Turnover represents dues and subscriptions from member organisations and individuals, grants, donations and sundry sales income. Members' dues are treated as income when they fall due. All material sources of income are accounted for when they fall due provided these amounts can be estimated with reasonable certainty.

#### (c) **Life Subscriptions**

Life subscriptions are accounted for as deferred income with amounts equal to the annual membership subscription for each life member received from 1997 being released to the Income and Expenditure Account each year.

#### (d) **Foreign Currency**

Balances denominated in foreign currencies are translated at the rate of exchange applicable on the balance sheet date. Differences arising on translation are reflected through the Income and Expenditure Account. Transactions in foreign currencies are translated into Sterling at the average monthly rate of exchange prevailing when the transactions arise. Exchange differences are taken into account in arriving at the operating result.

#### (e) **Current Assets**

Amounts receivable are stated at amounts due less a provision for non-collectability.

#### (f) **Restricted Funds**

Any balance of income received for a specific purpose but not expended is held as a restricted fund until utilised.

#### (g) **Endowment Funds**

Endowments consist of permanent and expendable endowments. The capital of permanent endowments must be retained. Expendable endowments are funds which, although the capital and income is available to meet the objects of IHEU (subject to any donor imposed restrictions), it is the Directors intention that the capital be maintained.

#### (h) **Investment Income**

Income from listed investments is accounted for on the date it falls due for payment. Interest from cash on deposit is accounted for on an accruals basis.

# INTERNATIONAL HUMANIST AND ETHICAL UNION

## NOTES FORMING PART OF THE ACCOUNTS (continued) FOR THE YEAR ENDED 31st DECEMBER 2018

### 1. ACCOUNTING POLICIES (Continued)

#### (i) Investments

Investments are in basic financial instruments and are stated at mid-market value at the balance sheet date. Gains and losses on disposals and revaluations of fixed asset investments are reported in the Income and Expenditure Account and Statement of Total Recognised Gains and Losses respectively and added to the funds to which they relate.

#### (j) Critical judgements and key sources of estimation uncertainty

Judgements and key sources of estimation uncertainty are detailed in the above accounting policies where applicable.

### 2. TURNOVER

Turnover represents grants, donations and membership fees receivable.

	General Fund	Restricted Fund	Endowment Funds	2018	2017
	£	£	£	£	£
Member Organisations	121,881	-	-	121,881	108,078
Supporters and Donations	58,501	-	-	58,501	21,201
Merchandise	-	-	-	-	101
Other Restricted Funds	-	259	-	259	18,998
Donation in Kind	17,800	-	-	17,800	17,830
	<b>£198,182</b>	<b>£259</b>	<b>-</b>	<b>£198,441</b>	<b>£166,208</b>

The donation in kind represents the advocacy salary paid by deMens.nu.

### 3. OPERATING COSTS

	General Fund	Restricted Fund	Endowment Funds	2018	2017
	£	£	£	£	£
Wages and social security	130,920	-	-	130,920	127,673
Advocacy Salary	17,800	-	-	17,800	17,830
Consultancy Costs	26,958	-	-	26,958	33,227
Travel Aid Board Members	16,821	1,216	-	18,037	23,391
Travel & Representation	46,526	-	-	46,526	31,880
Rent, Services and Office Supplies	28,817	-	-	28,817	21,225
Website Expenses	19,039	-	-	19,039	-
IHEYO Grants	5,750	-	-	5,750	10,505
Audit Fees	4,500	-	-	4,500	4,350
General Assembly Expenses	3,133	-	-	3,133	8,725
Training	1,748	-	-	1,748	2,943
Investment Managers Fees	-	-	6,070	6,070	21,041
Other Restricted Expenses	-	12,668	-	12,668	9,514
IT	3,688	-	-	3,688	77,933
	<b>£305,700</b>	<b>£13,884</b>	<b>£6,070</b>	<b>£325,654</b>	<b>£390,237</b>

IHEU has three full time members of staff, a chief executive, a director of communications and a growth and development officer. All other services were provided by consultants, volunteers or member organisations.

# INTERNATIONAL HUMANIST AND ETHICAL UNION

## NOTES FORMING PART OF THE ACCOUNTS (continued) FOR THE YEAR ENDED 31st DECEMBER 2018

### 4. OPERATING SURPLUS/DEFICIT

	2018 £	2017 £
The operating surplus/(deficit) is stated after charging:		
Auditors' Remuneration		
In their capacity as auditors	4,500	4,350
	<u>£4,500</u>	<u>£4,350</u>
Employee Costs		
Wages and salaries	117,107	114,198
Social Security costs	9,700	9,478
Pension costs	4,113	3,997
	<u>£130,920</u>	<u>£127,673</u>
Average number of employees	<u>3</u>	<u>3</u>

The company's directors are not remunerated.

### 5. TAXATION

The IHEU, a philanthropic organisation, is liable to UK Corporation Tax on investment income generated in the United Kingdom and on investment income generated overseas only to the extent that it is remitted to the United Kingdom.

	2018 £	2017 £
Tax Charge for the current year	9	-
Under accrued in previous year	1	-
	<u>£10</u>	<u>£-</u>

### 6. RECONCILIATION OF TAX CHARGE

	2018 £	2017 £
Surplus/(Deficit) on Ordinary Activities before Tax	<u>61,788</u>	<u>(411,671)</u>
Tax on Surplus on Ordinary Activities at small companies average rate of 19%, (2017: 19%)	11,740	(79,247)
Less Income not subject to Tax	(61,793)	17,864
Investment Income arising overseas and not remitted to the UK	(8,430)	(10,305)
Expenditure not allowable for Tax	58,492	71,688
	<u>£9</u>	<u>£-</u>



# INTERNATIONAL HUMANIST AND ETHICAL UNION

## NOTES FORMING PART OF THE ACCOUNTS (continued) FOR THE YEAR ENDED 31st DECEMBER 2018

### 7. INVESTMENTS

	2018 £	2017 £
(a) Quoted investment (at market value) Note 7 (b)	1,776,934	1,780,108
Cash held for investment purposes	30,809	74,447
	<u>£1,807,743</u>	<u>£1,854,555</u>
All the quoted investments are listed in the USA.		
(b) Overseas Fixed Interest	749,646	596,678
Overseas Equities	1,027,288	1,183,430
Cash Instruments	30,809	74,447
	<u>£1,807,743</u>	<u>£1,854,555</u>
(c) Movements in quoted investments		
Balance brought forward at 1st January 2018	1,780,108	1,642,863
Additions	644,889	596,607
Sale proceeds	(564,989)	(523,301)
- Realised Gains	84	13,284
- Unrealised (Losses) / Gains	(184,136)	198,090
Exchange Gains	100,978	(147,435)
Balance carried forward at 31st December 2018	<u>£1,776,934</u>	<u>£1,780,108</u>
Investments at Cost	<u>£1,724,524</u>	<u>£1,555,698</u>
(d) The following investments are material :		
PIMCO Low Duration III	-	169,695
CALVERT Bond Portfolio	-	126,345
Pax MSCI International Fund	96,016	106,976
Domini Impact International Equity	93,589	111,409
TIAA Social Bond	-	122,964
Lord Abbott Short Duration	114,193	-
Vanguard Short Term	<u>114,689</u>	<u>-</u>

### 8. DEBTORS

	2018 £	2017 £
Prepayments	2,985	2,109
Other debtors	1,106	5,000
	<u>£4,091</u>	<u>£7,109</u>

# INTERNATIONAL HUMANIST AND ETHICAL UNION

## NOTES FORMING PART OF THE ACCOUNTS (continued) FOR THE YEAR ENDED 31st DECEMBER 2018

### 9. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Sundry Creditors and Accruals	31,871	13,484
Corporation Tax	10	-
Deferred income – life members	6,120	6,972
- member organisations	8,502	-
	<u>£46,503</u>	<u>£20,456</u>

Deferred income for life members consists of life membership fees received during the year being credited to deferred income whilst a sum equal to the current annual subscription multiplied by the number of life members is released to current income. Deferred income for member organisations represents membership fees received in advance from new member organisations.

### 10. ENDOWMENT FUNDS

	Victor Kay Humanitarian Fund			IHEU Endowment Fund	Total
	Fund £	Revaluation Reserve £	Sub Total £	£	£
Brought forward at 1 January 2018	1,810,073	224,410	2,034,483	77,341	2,111,824
Gains on Exchange	-	100,978	100,978	-	100,978
Investment Income	40,700	-	40,700	-	40,700
Unrealised losses on Investments	-	(184,136)	(184,136)	-	(184,136)
Investment gains recognised in previous periods now realised	88,842	(88,842)			
Realised gains on Investments	84	-	84	-	84
Transfers to free funds	(75,000)	-	(75,000)	-	(75,000)
Investment Manager's Fees	(6,070)	-	(6,070)	-	(6,070)
	<u>£1,858,629</u>	<u>£52,410</u>	<u>£1,911,039</u>	<u>£77,341</u>	<u>£1,988,380</u>

The Endowment Funds consist of:

- The IHEU Endowment Fund, which was originally created in 1973 and was added to by contributions made during the fund raising drive in Buffalo, USA, in 1988.
- The Victor Kay Humanitarian Fund, which was established in 2009 as a result of a \$2.5 million legacy to IHEU from Victor Kay.

The Endowment Funds are managed according to the investment strategy adopted by the Board, based on the needs of IHEU to make distributions and to preserve capital. Movements in the year include unrealised gains/(losses) and foreign exchange adjustments. Interest and realised gains from either Fund are utilised as free income.

# INTERNATIONAL HUMANIST AND ETHICAL UNION

## NOTES FORMING PART OF THE ACCOUNTS (continued) FOR THE YEAR ENDED 31st DECEMBER 2018

### 11. RESTRICTED FUNDS

	At 01.01.18 £	Income £	Expendi- ture £	Transfers £	At 31.12.18 £
IHEYO	-	89	-	-	89
Membership Growth Fund	15,448	-	(12,411)	-	3,037
Human Rights Defence Fund	1,729	170	(242)	-	1,657
Human Wisdom Fund	300,517	-	-	-	300,517
Delegations Fund	1,230	-	-	-	1,230
Travel aid board members	1,216	-	(1,216)	-	-
Congress Travel Fund	3,802	-	-	-	3,802
SOCH Nepal Earthquake	15	-	(15)	-	-
	<u>£323,957</u>	<u>£259</u>	<u>£(13,884)</u>	<u>£-</u>	<u>£310,332</u>

Restricted Funds consist of donations and grants received to fund specific projects.

- IHEYO is a formal part of IHEU as its youth wing and IHEYO's funds are segregated in IHEU's accounts.
- The Membership Growth Fund was created in 2009 with an anonymous donation to promote the growth of IHEU through the development of member organisations.
- The Human Rights Defence Fund is based on donations that can be used to meet the costs of defending victims of religious intolerance, for specific individuals and for political support action.
- The Human Wisdom Fund was created following a large donation in 2016 to specifically look at creating a training project on humanism and developing humanist communities as a centre for new digital tools.
- The Delegation Fund is used to support the participation of IHEU representatives at the international institutions.
- The Travel aid board members was created to support the travel and expenses for Board members from under-represented regions of the world.
- The Congress Travel fund is used to support travel for humanists to the triennial World Humanist Congress.
- SOCH Nepal Earthquake is used to support victims of the 2015 earthquake in Nepal. This fund is expected to be wound up next year.

### 12. UNRESTRICTED FUNDS

	2018 £	2017 £
<b>General Funds</b>		
Brought Forward	229,633	331,204
(Deficit)/Surplus on ordinary activities after tax	(60,289)	(196,571)
Transfer from Endowment Fund	75,000	95,000
	<u>£244,344</u>	<u>£229,633</u>



# INTERNATIONAL HUMANIST AND ETHICAL UNION

## NOTES FORMING PART OF THE ACCOUNTS (continued) FOR THE YEAR ENDED 31st DECEMBER 2018

### 13. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Invest- ments £	Debtors £	Cash at Bank £	Creditors £	At 31.12.18 £
Endowment Fund	1,807,743	-	180,637	-	1,988,380
Restricted Funds	-	-	310,332	-	310,332
Unrestricted Funds	-	4,091	286,756	(46,503)	244,344
	<u>£1,807,743</u>	<u>£4,091</u>	<u>£777,725</u>	<u>£(46,503)</u>	<u>£2,543,056</u>

### 14. RELATED PARTY TRANSACTIONS

IHEU rents office space from one of its Member Organisation's, the British Humanist Association (operating as 'Humanists UK'). Rent and service charges paid are disclosed in note 3. The President of IHEU is the Chief Executive of Humanists UK.