



Humanists

INTERNATIONAL

INTERNATIONAL HUMANIST AND ETHICAL UNION

(operating as HUMANISTS INTERNATIONAL)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2020

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 31ST DECEMBER 2020

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 2020. 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)	
Board Members:	Ms Rebecca Hale	(American)	until 16 October 2020
	Ms Gulalai Ismail	(Pakistani)	until 16 October 2020
	Ms Kristin Mile	(Norwegian)	
	Mr Uttam Niraula	(Nepalese)	
	Mr David Pineda	(Guatemalan)	
	Ms Roslyn Mould	(Ghanian)	
	Mr Leo Igwe	(Nigerian)	from 16 October 2020
	Ms Debbie Goddard	(American)	from 16 October 2020
	Ms Anya Overmann	(American)	from 16 October 2020

UK Registered Office: The Green House, 244 – 254 Cambridge Heath Road, London E1 9DA
until 28 August 2020
The Foundry, 17 Oval Way, Vauxhall, London SE1 5RR from 27 August 2020

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

INTERNATIONAL HUMANIST AND ETHICAL UNION

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2020

STAFF

Chief Executive	Gary McLelland
Director of Advocacy	Elizabeth O'Casey
Membership Engagement Manager	Giovanni Gaetani
Finance and Administration Manager	Jean Zong
Advocacy Officer	Lillie Ashworth (from 14 April 2020)
Humanists At Risk Co-ordinator	Emma Wadsworth-Jones (from 27 April 2020)

The names of volunteer representatives, who are the Company's members, are given on our website: humanists.international

PRINCIPAL ACTIVITIES

In 2020, Humanists International had to make significant changes to its operational plans as a contingency for the COVID-19 pandemic. We are pleased to report that despite these enormous challenges, the organisation was able to make significant progress towards fulfilling its strategy.

In April of 2020 the Board made available a special COVID-19 relief fund to our members, to help support them to buy food, hygiene products and other essentials.

We hired two new members of staff in 2020. A Humanists at Risk Coordinator, and an Advocacy Officer. Both have already made significant contributions to the work of the organisation. We have been able to increase the quality of support we can offer to humanists at risk around the world, as well as having established policies and procedures for handling requests. The increased capacity for advocacy has enabled us to increase the support we give to members, in making UPR submissions, for example, and other advocacy engagements.

The pandemic necessitated the cancellation of the 2020 World Humanist Congress. In its place the Board arranged two General Assemblies, one by correspondence for the approval of documents, and one online interactive session for the election of Board members. The turnout was high, and the feedback from all participating organisations was very positive.

CLOSURE OF IHEU

At a meeting of the Directors on 30 June 2020, the Board confirmed their decision to restructure Humanists International by closure of this company and the transfer of its net assets to the existing US charity Humanists International USA (501(c)3) 52-2194803, for those assets relating to the endowment funds, and a newly registered Scottish charitable company (Company number SC 682230; charity number SC050629), to carry out its operations in the UK and beyond. The net assets were transferred with effect from 31 December 2020. All operations of the IHEU ceased as at 31 December 2020 and were taken over by the US charity and the newly formed Scottish charitable Company, Humanists International 2020 with effect from 1 January 2021.

More information can be found on our website at: www.humanists.international/about

FINANCIAL REVIEW

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

INTERNATIONAL HUMANIST AND ETHICAL UNION

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2020

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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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.

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

17 May

..... 2021

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 2020 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 2020 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.

Emphasis of matter – financial statements not prepared on a going concern basis

We draw your attention to note 1(a) Accounting policies, basis of accounting which explains that the Directors have transferred the net assets and activities of the IHEU to Humanists International USA (501(c)3) 52-2194803 charity and to the new Scottish charitable company (International Humanists 2020, company number 682230; charity number SC050629) with effect from 31 December 2020. This has had no impact on the amounts disclosed in these financial statements and our opinion is not modified in respect of this matter.

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.

INTERNATIONAL HUMANIST AND ETHICAL UNION

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

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.

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.

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Companies Act 2006, and the Corporation Tax Act 2010.
- We identified that the legal requirement to accurately account for restricted funds was of key significance
- We understood how the Company is complying with those frameworks, and its requirement to accurately account for restricted funds, via communication with those charged with governance, together with the review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. These included risks associated with Revenue Recognition and Management override of Controls, which were discussed and agreed by the audit team.
- Our approach included agreeing the company's recognition of income to the terms of the underlying contract, check that all restricted income was properly identified and separately accounted for and that only valid and appropriate expenditure was charged to restricted funds, the review of journal entries processed in the accounting records and the investigation of significant and unusual transactions identified from our review of the accounting records.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

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



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

Date: 19 May 2021

INTERNATIONAL HUMANIST AND ETHICAL UNION

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
Turnover	2	269,460	123,212	-	392,672	359,786
Operating Costs	3	(392,972)	(64,056)	(8,339)	(465,367)	(498,753)
Operating Surplus/(Deficit)	4	(123,512)	59,156	(8,339)	(72,695)	(138,967)
Investment Income						
Overseas Interest Receivable		705	-	-	705	6,441
Interest Receivable		37	-	-	37	108
Dividends Receivable		-	-	47,969	47,969	45,016
Exchange (Losses)		(19,595)	-	(73,305)	(92,900)	(107,847)
		(18,853)	-	(25,336)	(44,189)	(56,282)
Gains/(Losses) on Investments						
Realised Gains	8	-	-	34,680	34,680	38,301
Surplus on ordinary activities before tax		(142,365)	59,156	1,005	(82,204)	(156,948)
Taxation	5,6	(7)	-	-	(7)	(1,000)
Loss on ordinary activities after tax and before transfers		(142,372)	59,156	1,005	(82,211)	(157,948)
Transfers		75,000	-	(75,000)	-	-
Loss on ordinary activities after tax and transfers		(67,372)	59,156	(73,995)	(82,211)	(157,948)
Statement of total recognised gains and losses						
Loss on Ordinary Activities after Tax and Transfers		(67,372)	59,156	(73,995)	(82,211)	(157,948)
Unrealised Gains on Investments	8	-	-	370,858	370,858	353,432
Total Gains recognised in the year		(67,372)	59,156	296,863	288,647	195,484
Funds Brought Forward at 1st January		169,915	305,892	2,262,733	2,738,540	2,543,056
Total funds		102,543	365,048	2,559,596	3,027,187	2,738,540
Transferred to Humanists International		-	(284,299)	(2,559,596)	(2,843,895)	-
Transferred to Humanists International 2020		(102,543)	(80,749)	-	(183,292)	-
Funds Carried Forward at 31st December		£-	£-	£-	£-	£2,738,540

INTERNATIONAL HUMANIST AND ETHICAL UNION

BALANCE SHEET

FOR THE YEAR ENDED 31ST DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
Fixed Assets	7		-		1,777
Investments	8		-		2,154,287
Current Assets:					
Debtors	9	-		3,953	
Cash at Bank		-		613,841	
		-		617,794	
Less Creditors:					
Creditors: Amounts falling due within one year	10	-		(35,318)	
Net Current Assets			-		582,476
Total Current Assets less Current Liabilities			-		582,476
			£-		£2,738,540
Capital and Reserves					
Revaluation Reserve	11	-		410,752	
Endowment Funds	11	-		1,851,981	
			-		2,262,733
Restricted Fund	12		-		305,892
General Fund	13		-		169,915
TOTAL FUNDS			£-		£2,738,540

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

17 May

2021.

Signed on behalf of the Board of Directors

Boris Van Der Ham

Company number: FC 020642

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INTERNATIONAL HUMANIST AND ETHICAL UNION

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2020

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 have made the decision to restructure Humanists International by closure of this company and the transfer of its net assets to the existing US charity Humanists International USA (501(c)3) 52-2194803, for those assets relating to the endowment funds, and a newly registered Scottish charitable company Humanists International 2020 (Company number 682230; charity number SC050629), to carry out its operations in the UK and beyond. The net assets were transferred with effect from 31 December 2020. All operations of the IHEU ceased as at 31 December 2020 and were taken over by the US charity and the newly formed Scottish charitable Company, Humanists International with effect from 1 January 2021. As a consequence of this decision the financial statements have not been prepared on a going concern basis, and assets have been written down to their net realisable value. Because the net assets transferred will continue to be used by the two new entities and there will be no change in the operations of the US entity and the new Scottish charitable company, this change in policy has not had any effect on the figures disclosed in these financial statements and the transfer values are equal to the carrying values in these financial statements. Net assets transferred to the US entity amounted to £2,843,895 and to the Scottish charitable company amounted to £183,292. Transfer of net assets includes all assets and liabilities existing at the date of transfer.

(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) Tangible Fixed Assets

Tangible fixed assets are included in the accounts at cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

- Computers 33.33% straight line basis
- Office equipment 20.00% straight line basis

(f) Current Assets

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

INTERNATIONAL HUMANIST AND ETHICAL UNION

NOTES FORMING PART OF THE ACCOUNTS (continued) FOR THE YEAR ENDED 31st DECEMBER 2020

1. ACCOUNTING POLICIES (Continued)

(g) Restricted Funds

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

(h) 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.

(i) 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.

(j) 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.

(k) 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

	General Fund	Restricted Fund	Endowment Funds	2020	2019
	£	£	£	£	£
Member Organisations	238,023	-	-	238,023	160,993
Supporters and Donations	12,643	-	-	12,643	94,604
Other Restricted Funds	-	123,212	-	123,212	73,240
Donation in Kind (deMens.nu)	18,794	-	-	18,794	30,949
	£269,460	£123,212	£-	£392,672	£359,786

3. OPERATING COSTS

	General Fund	Restricted Fund	Endowment Funds	2020	2019
	£	£	£	£	£
Wages and social security	205,615	-	-	205,615	176,248
Finance charges	4,743	-	8,339	13,082	11,938
Consultancy Costs	65,871	-	-	65,871	45,093
Travel Aid Board Members	-	-	-	-	22,125
Travel & Representation	12,670	-	-	12,670	48,423
Rent, Services and Office Supplies	43,268	-	-	43,268	31,466
Website Expenses	4,980	-	-	4,980	16,992
Audit Fees	4,680	-	-	4,680	4,620
General Assembly Expenses	2,060	-	-	2,060	6,401
Governance costs	8,515	-	-	8,515	18,189
Campaign Promotions	2,220	-	-	2,220	2,316
Growth and Development	23,793	64,056	-	87,849	107,169
Fundraising Costs	-	-	-	-	1,584
Reports	14,557	-	-	14,557	6,189
	£392,972	£64,056	£8,339	£465,367	£498,753

INTERNATIONAL HUMANIST AND ETHICAL UNION

NOTES FORMING PART OF THE ACCOUNTS (continued) FOR THE YEAR ENDED 31st DECEMBER 2020

4. OPERATING SURPLUS/DEFICIT

	2020 £	2019 £
The operating surplus/(deficit) is stated after charging:		
Auditors' Remuneration		
In their capacity as auditors	4,680	4,620
	<u>£4,680</u>	<u>£4,620</u>
Employee Costs		
Wages and salaries	181,553	156,900
Social Security costs	15,159	12,652
Pension costs	8,903	6,696
	<u>£205,615</u>	<u>£176,248</u>
Average number of employees	<u>5</u>	<u>4</u>

The company directors are not remunerated.

IHEU has five full time members of staff, a chief executive, an advocacy officer, a membership engagement manager, a finance and administration manager and a humanists at risk co-ordinator. All other services were provided by consultants, volunteers or member organisations. Staff contracts were transferred to the new Scottish charitable company at the year end under a TUPE agreement.

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.

	2020 £	2019 £
Tax Charge for the current year	7	21
US corporation tax	-	979
	<u>£7</u>	<u>£1,000</u>

6. RECONCILIATION OF TAX CHARGE

	2020 £	2019 £
Surplus/(Deficit) on Ordinary Activities before Tax	<u>(82,204)</u>	<u>(156,948)</u>
Tax on Surplus on Ordinary Activities at small companies average rate of 19%, (2019: 19%)	(15,619)	(29,820)
Less Income not subject to Tax	(15,837)	(41,988)
Investment Income arising overseas and not remitted to the UK	(53,385)	(17,054)
Expenditure not allowable for Tax	84,848	88,883
	<u>£7</u>	<u>£21</u>

INTERNATIONAL HUMANIST AND ETHICAL UNION

NOTES FORMING PART OF THE ACCOUNTS (continued) FOR THE YEAR ENDED 31st DECEMBER 2020

7. FIXED ASSETS

	Computers £	Office equipment £	Total 2020 £	Total 2019 £
Cost				
At 1 January 2020	606	1,716	2,322	-
Additions	1,698	-	1,698	2,322
At 31 December 2020	2,304	1,716	4,020	2,322
Depreciation				
At 1 January 2020	202	343	545	-
Charge for the year	768	343	1,111	545
At 31 December 2020	970	686	1,656	545
Net book value				
At 31 December 2020 before transfer	1,334	1,030	2,364	1,777
Assets transferred to Humanists International 2020	(1,334)	(1,030)	(2,364)	
Assets after transfer	-	-	-	
At 31 December 2019	£404	£1,373	£1,777	

8. INVESTMENTS

	2020 £	2019 £
(a) Quoted investment (at market value) Note 7 (b)	2,430,545	2,095,842
Cash held for investment purposes	21,743	58,445
	2,452,288	2,154,287
Investments transferred to Humanists International	(2,542,288)	-
	£-	£2,154,287
All the quoted investments are listed in the USA:		
(b) Overseas Fixed Interest	753,297	750,217
Overseas Equities	1,677,248	1,345,625
Cash Instruments	21,743	58,445
	£2,452,288	£2,154,287
(c) Movements in quoted investments		
Balance brought forward at 1st January 2020	2,095,842	1,776,934
Additions	494,708	495,911
Sale proceeds	(492,238)	(489,215)
- Realised Gains	34,680	38,301
- Unrealised Gains / (Losses)	370,858	353,432
Exchange (Losses) / Gains	(73,305)	(79,521)
Assets transferred to Humanists International	2,430,545	2,097,842
Assets transferred	(2,430,545)	-
Balance carried forward at 31st December 2020	-	£2,095,842
Investments at Cost	£-	£1,685,090
(d) The following investments are material :		
Pax MSCI International Fund	116,571	110,577
Performance Trust Strategic Bond	122,608	90,167
Qualcomm	205,599	122,627
Lord Abbott Short Duration	189,566	74,117
Vanguard Short Term	138,023	104,084
Hannon Armstrong	219,074	114,458
Fidelity Investment Grade Bond	123,213	-

INTERNATIONAL HUMANIST AND ETHICAL UNION

NOTES FORMING PART OF THE ACCOUNTS (continued) FOR THE YEAR ENDED 31st DECEMBER 2020

9. DEBTORS

	2020 £	2019 £
Prepayments	1,391	3,953
Debtors transferred to Humanists International 2020	(1,391)	-
	<u>£-</u>	<u>£3,953</u>

10. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Sundry Creditors and Accruals	18,264	27,437
Corporation Tax	7	21
Deferred income – life members	8,982	7,860
Donations received in advance	180,000	-
	<u>207,253</u>	<u>35,318</u>
Creditors transferred to Humanists International 2020	(207,253)	-
	<u>£-</u>	<u>£35,318</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.

11. ENDOWMENT FUNDS

	Victor Kay Humanitarian Fund			IHEU Endowment Fund	Total
	Fund	Revaluation Reserve	Sub Total		
	£	£	£	£	£
Brought forward at 1 January 2020	1,774,640	410,752	2,185,392	77,341	2,262,733
Losses on Exchange	-	(73,305)	(73,305)	-	(73,305)
Investment Income	47,969	-	47,969	-	47,969
Unrealised gains on Investments	-	370,858	370,858	-	370,858
Investment losses recognised in previous periods now realised	(57,702)	57,702	-	-	-
Realised gains on Investments	34,680	-	34,680	-	34,680
Transfers to free funds	(75,000)	-	(75,000)	-	(75,000)
Investment Manager's Fees	(8,339)	-	(8,339)	-	(8,339)
	<u>£1,712,248</u>	<u>£766,007</u>	<u>£2,482,255</u>	<u>£77,341</u>	<u>£2,559,596</u>
Funds transferred to Humanists International					(2,559,596)
					<u>£-</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 2020

ENDOWMENT FUNDS – comparative 2019

	Victor Kay Humanitarian Fund			IHEU Endowment Fund	Total
	Revaluation				
	Fund	Reserve	Sub Total		
	£	£	£	£	£
Brought forward at 1 January 2019	1,858,629	52,410	1,911,039	77,341	1,988,380
Gains on Exchange	-	(79,521)	(79,521)	-	(79,521)
Investment Income	45,016	-	45,016	-	45,016
Unrealised losses on Investments	-	353,432	353,432	-	353,432
Investment gains recognised in previous periods now realised	(84,431)	84,431	-	-	-
Realised gains on Investments	38,301	-	38,301	-	38,301
Transfers to free funds	(75,000)	-	(75,000)	-	(75,000)
Investment Manager's Fees	(7,875)	-	(7,875)	-	(7,875)
	£1,774,640	£410,752	£2,185,392	£77,341	£2,262,733

12. RESTRICTED FUNDS

	At 01.01.20	Income	Expendi- ture	Transfers	At 31.12.20
	£	£	£	£	£
Humanists at Risk	-	29,605	(14,010)	-	15,595
Membership Growth Fund	2,637	-	-	-	2,637
Advocacy for Alleged Witches	-	785	(785)	-	-
Human Wisdom Fund	284,299	-	-	-	284,299
Delegations Fund	1,230	-	-	-	1,230
Mubarak Bala	-	23,422	(14,187)	-	9,235
Congress Travel Fund	3,802	-	-	-	3,802
Growth and Development	13,924	60,000	(25,674)	-	48,250
FCO Fund	-	9,400	(9,400)	-	-
	£305,892	£123,212	£(64,056)	£-	£365,048
Transferred to Humanists International					(284,299)
Transferred to Humanists International 2020					(80,749)
					£-

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

- The Human Rights Defence Fund provides for the provision of legal services, legal advocates or professional arbitrations services, and any other such official services as the legal team may direct.
- The Membership Growth Fund was created in 2009 with an anonymous donation to promote the growth of IHEU through the development of member organisations.
- Advocacy for Alleged Witches Fund is to support victims of witchcraft accusations, and aims to combat witch persecutions and killings in African countries.
- 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 Congress Travel fund is used to support travel for humanists to the triennial World Humanist Congress.
- The Growth and Development Fund is made available to members and associates of Humanists International in developing countries, to support their growth and development by grants and dedicated training sessions.
- The Foreign and Commonwealth Fund (FCO) allows us to complete an assessment of the recognition and visibility of anti-humanist discrimination in some countries by carrying out questionnaires and interviews. Details have been used to produce the Humanists at Risk Report and the Freedom of Thought Report.

INTERNATIONAL HUMANIST AND ETHICAL UNION

NOTES FORMING PART OF THE ACCOUNTS (continued) FOR THE YEAR ENDED 31st DECEMBER 2020

RESTRICTED FUNDS – comparative 2019	At 01.01.19 £	Income £	Expenditure £	Transfers £	At 31.12.19 £
IHEYO	89	-	(89)	-	-
Membership Growth Fund	3,037	-	(400)	-	2,637
Human Rights Defence Fund	1,657	40	(1,697)	-	-
Human Wisdom Fund	300,517	-	(16,218)	-	284,299
Delegations Fund	1,230	-	-	-	1,230
Travel aid board members	-	13,200	(13,200)	-	-
Congress Travel Fund	3,802	-	-	-	3,802
Growth and Development	-	60,000	(46,076)	-	13,924
	<u>£310,332</u>	<u>£73,240</u>	<u>£(77,680)</u>	<u>£-</u>	<u>£305,892</u>

13. UNRESTRICTED FUNDS

	2020 £	2019 £
General Funds		
Brought Forward	169,915	244,344
(Deficit)/Surplus on ordinary activities after tax	(142,372)	(149,429)
Transfer from Endowment Fund	75,000	75,000
	<u>£102,543</u>	<u>£169,915</u>
Transferred to Humanists International 2020	<u>(102,543)</u>	
	<u>£-</u>	

14. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Invest- ments £	Debtors £	Cash at Bank £	Creditors £	At 31.12.20 £
Endowment Fund	-	-	-	-	-
Restricted Funds	-	-	-	-	-
Unrestricted Funds	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS – comparative 2019

	Invest- ments £	Debtors £	Cash at Bank £	Creditors £	At 31.12.20 £
Endowment Fund	2,154,287	-	108,446	-	2,262,733
Restricted Funds	-	-	305,892	-	305,892
Unrestricted Funds	1,777	3,953	199,503	(35,318)	169,915
	<u>£2,156,064</u>	<u>£3,953</u>	<u>£613,841</u>	<u>£(35,318)</u>	<u>£2,738,540</u>

15. RELATED PARTY TRANSACTIONS

No related party transactions arose in the current or preceding year.

16. LEASE COMMITMENTS

IHEU rents serviced accommodation and the current licence agreement started on the 27 August 2020 for a period of five years.. This agreement is on a rolling 3 month notice. The current monthly payment amounts to £1,365.55 and a rent review will take place in October every year. The lease is in the process of being transferred to Humanists International 2020.

INTERNATIONAL HUMANIST AND ETHICAL UNION

NOTES FORMING PART OF THE ACCOUNTS (continued) FOR THE YEAR ENDED 31st DECEMBER 2020

17. INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2019 £
Turnover	2	286,546	73,240	-	359,786
Operating Costs	3	(413,198)	(77,680)	(7,875)	(498,753)
Operating Surplus/(Deficit)	4	(126,652)	(4,440)	(7,875)	(138,967)
Investment Income					
Overseas Interest Receivable		6,441	-	-	6,441
Interest Receivable		108	-	-	108
Dividends Receivable		-	-	45,016	45,016
Exchange Gains/(Losses)		(28,326)	-	(79,521)	(107,847)
		(21,777)	-	(34,505)	(56,282)
Gains/(Losses) on Investments					
Realised Gains	7	-	-	38,301	38,301
Surplus on ordinary activities before tax		(148,429)	(4,440)	(4,079)	(156,948)
Taxation	5,6	(1,000)	-	-	(1,000)
Surplus on ordinary activities after tax and before transfers		(149,429)	(4,440)	(4,079)	(157,948)
Transfers		75,000	-	(75,000)	-
Surplus on ordinary activities after tax and transfers		(74,429)	(4,440)	(79,079)	(157,948)
Statement of total recognised gains and losses					
Surplus on Ordinary Activities after Tax and Transfers		(74,429)	(4,440)	(79,079)	(157,948)
Unrealised Gains/(Losses) on Investments	7	-	-	353,432	353,432
Total Gains recognised in the year		(74,429)	(4,440)	274,353	195,484
Funds Brought Forward at 1st January		244,344	310,332	1,988,380	2,543,056
Funds Carried Forward at 31st December		£169,915	£305,892	£2,262,733	£2,738,540