

**The Rationalist Association
Company Limited by Guarantee
Unaudited Financial Statements
31 December 2017**

JOHN STEWARD

Steward & Co

Chartered accountant

5 East Lane

London

SE16 4UD

The Rationalist Association

Company Limited by Guarantee

Financial Statements

Year ended 31 December 2017

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The Rationalist Association

Company Limited by Guarantee

Directors' Annual Report (Incorporating the Director's Report)

Year ended 31 December 2017

The directors, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 December 2017.

Reference and administrative details

Registered charity name The Rationalist Association

Charity registration number 1096577

Company registration number 4118489

Principal office and registered Office Development House (G03)
56-64 Leonard Street
London
EC2A 4LT

The directors

Clive Coen

Sir Stephen Sedley

Jonathan Stopes-Roe

Sally Feldman (resigned by rotation at AGM 11 July 2017)

John Metcalf (resigned by rotation at AGM 11 July 2017)

David Pollock

Ian Glendinning

Tess Woodcraft

Conrad Lichtenstein (resigned 16 October 2017)

Directors/Trustees who served during the year were as follows:

Name	Period	Attendance at Board meeting	
		Possible	Actual
Sally Feldman	Resigned 11/07/17	3	3
John Metcalf	Resigned 11/07/17	3	3
David Pollock *	all year	5	5
Clive Coen	all year	5	5
Jonathan Stopes-Roe	all year	5	5
Tess Woodcraft *	all year	5	3
Sir Stephen Sedley	all year	5	5
Ian Glendinning	all year	5	5
Conrad Lichtenstein	Resigned 26/10/17	4	2

* Directors/Trustees marked with an asterisk retire by rotation at the 2018 AGM and having served for six years, will not be eligible for re-appointment within the next two years.

Chief Executive Tom Smith

Accountants John Steward
Chartered accountant
5 East Lane
London
SE16 4U

The Rationalist Association

Company Limited by Guarantee

Directors' Annual Report (Incorporating the Director's Report) (continued)

Year ended 31 December 2017

Structure, governance and management

Reserves Policy

The reserves policy covers the level of free reserves that would be immediately available for activities within the RA's overall purpose and would be appropriate for the charity to hold on a continuing basis. This level takes into account potential volatility in income streams and allows for fluctuations in essential expenditure.

Risk Management

The Board identifies the key risks facing the RA which are documented in a risk register and discussed with and approved by the Trustees on a regular basis.

Appointment of Directors

Directors are appointed by vote at the AGM. Directors may be co-opted onto the Board by Board vote during the course of the year. These co-optees are to be formally appointed as Directors at the subsequent Board meeting.

Related Parties

The Rationalist Association maintains a separate company, the Rationalist Press Association, which is a company limited by guarantee, but which is not registered as a charity. The sole member of the RPA is the RA. It is the policy of the RA that this separate legal entity, which has existed for many years and which continues to benefit from long-standing legacies, should be maintained outside of the constraints of charitable status.

The Rationalist Association

Company Limited by Guarantee

Directors' Annual Report (Incorporating the Director's Report) (continued)

Year ended 31 December 2017

Objectives and activities

Principal activity

Promoting rationalism and humanism through the publication of New Humanist magazine, the New Humanist website and other media.

About the Rationalist Association

The Rationalist Association is a company limited by guarantee (number 4118489). It is registered as a charity (number 1096577). The Association's registered office is at Development House G03, 56-64 Leonard Street, London EC2A 4LT.

The Association is governed by its Memorandum and Articles of Association, which were last amended by special resolution dated 23 May 2011. Under these, the Objectives of the Rationalist Association are:

"The mental and moral improvement of the human race by means of the advancement of rationalism and humanism. The advancement of education and in particular the study of rationalism and humanism and the dissemination of knowledge of their principles. The relief of poverty among members or former members or their dependants or employees or former employees or their dependants of the Rationalist Press Association Limited and The Rationalist Association."

The Association is managed by the Board of Directors, who are the Trustees of the Charity. The Directors are appointed by the Annual General Meeting of the Association, and must retire by rotation one third each year. The Board may co-opt additional Directors during the year, subject to their being submitted for appointment at the next following AGM.

The Trustees are committed to openness and transparency in recruiting new Trustees. Candidates are invited to provide a CV and personal statement. New trustees are formally appointed by the AGM and are inducted and any training necessary is provided.

Report on Public Benefit

The Rationalist Association aims to promote rational inquiry based on evidence rather than belief 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.

New Humanist magazine 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. First, through subscriptions and bookshop sales, and associated donations, we aim to maximise our 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.

Just as important is the role the RA plays in public advocacy, publicising and educating about rationalist and humanist values at events -literary events like the Stoke Newington Literary Festival,

The Rationalist Association

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Directors' Annual Report (Incorporating the Director's Report) (continued)

Year ended 31 December 2017

panel discussions, -and through appearances in the local and national media. 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

Review of the year

Tom Smith was formally appointed our Chief Executive in April this year having been the de facto incumbent from the summer of 2016.

2017 continued our administrative consolidation for the Rationalist Association (RA) with the emphasis on streamlining personnel and costs. This is reflected in our significantly reduced expenditure whilst maintaining the same production levels as 2016. This reduction in costs has not prevented our annual deficit but we have now moved our focus to income. We have launched two income stream projects which are expected to generate income from 2018, being the creation of a fundraising function and digitising our magazine archive. The catalyst for the archive project was a donation in 2017 by one of our members allowing us to partner with the British Library to produce high quality digital products. Our digital archive will be financially targeted at institutional subscribers but will be available to ordinary RA members as an ongoing benefit of their annual membership fees.

Our objective of expanding the reputation and audience of New Humanist, in print, online and at public events was hampered by two time-consuming issues during the year; the unforeseen demise of COMAG (our magazine newsstand distributor) due to its two shareholders withdrawing from that business sector and separately, a lengthy Employment Tribunal claim by a former consultant. The latter ultimately failed and although our legal costs were underwritten by our insurers, our own time and administration were not. Both these matters were successfully overcome but they diverted our limited administrative resources away from their primary function throughout the year until the end of November 2017.

The number of RA members at the end of 2017 was 441 (2016: 479). On average some 6,500 copies of the magazine were printed each quarter for distribution. This includes free distribution of New Humanist to prisons libraries as part our charitable objectives.

There are two developments due to arise in the near future justifying comment, being an office relocation some time in 2018 and a significant legacy by a member who passed away in 2016:

- Our current office/building is scheduled for demolition so we will be moving into The Green House (Cambridge Heath Road, London, E2 9DA), being a newly developed commercial building by our current landlord which will provide twice the NFP/Charity tenanted space of Development House but with the same associated benefits. This was due to take place in February 2018 but the final relocation schedule moved to 27 July 2018
- We have received formal confirmation that we are due to receive a significant financial legacy in 2018 which is currently undergoing probate

**The Rationalist Association
Company Limited by Guarantee
Directors' Annual Report (Incorporating the Director's Report) *(continued)*
Year ended 31 December 2017**

Financial review

The results for the year are set out in the financial statements for the RA.

The deficit for the year was £21,279 (2016: £52,522). The current year's reduced deficit results solely from the reduction in expenditure.

The investment portfolio of the RA decreased in the year due to planned disposals of investments. However, the value of the remaining portfolio increased above 2016 values due to a rise in stock market levels compared to the previous year. The net assets of the RA at 31st December 2017 were £800,458 (2016: £768,309).

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. The directors' annual report was approved on 13 July 2018 and signed on behalf of the board of trustees by:

Clive Coen
Director



Independent Examiner's Report to the Trustees of The Rationalist Association

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2017 which are set out on pages 7 to 21.

Responsibilities and basis of report

As the charity trustees of the company (and also 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 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 your company's accounts as 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

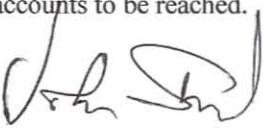
I have completed my examination. I have identified a matter of concern in my report because I have concerns that there may have been material loss to the charity arising as follows.

The trustees became concerned about the level of administrative costs and sought justification of the costs being charged to the charity. As a result of the trustees not being satisfied with the explanations given, the person responsible left the company and a second, more junior person left abruptly before they could be questioned. Both people had been retained on a self-employed basis (i.e. they were not on the payroll and were not classed as employees). It is not clear whether this matter is materially significant under section 156 of the 2011 Act but it has been reported to the relevant authorities by the trustees and is quite likely to have been financially material in its effect on the charity.

I confirm that no other matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the 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 (FRS102).

I confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.

John Steward, FCA 
Steward & Co
Chartered Accountants and Registered Auditor
5 East Lane
London SE16 4UD

2018

8 August

**The Rationalist Association
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)
31 December 2017**

	Note	2017 Unrestricted funds £	2017 Restricted funds £	2017 Total Funds	2016 Total funds £
Income and endowments					
Donations and legacies	5	27,539		27,539	57,526
Charitable activities	6	84,799	-	84,799	86,817
Investment income	7	35,627	3,254	38,881	37,645
Total income		<u>147,965</u>	<u>3,254</u>	<u>151,219</u>	<u>181,988</u>
Expenditure					
Expenditure on charitable activities	8, 9	67,217	-	67,217	103,383
Other expenditure		<u>106,671</u>	<u>-</u>	<u>106,671</u>	<u>131,117</u>
Total expenditure		<u>173,888</u>	<u>-</u>	<u>173,888</u>	<u>234,500</u>
Net losses/(gain) on investments	12	(1,390)		(1,390)	10
Net expenditure		<u>(24,533)</u>	<u>3,254</u>	<u>(21,279)</u>	<u>(52,522)</u>
Other recognised gains and losses					
Gains/(losses) from revaluation of fixed assets		<u>53,428</u>	<u>-</u>	<u>53,428</u>	<u>52,615</u>
Net movement in funds		<u>28,895</u>	<u>3,254</u>	<u>32,149</u>	<u>93</u>
Reconciliation of funds					
Total funds brought forward		<u>679,502</u>	<u>88,807</u>	<u>768,309</u>	<u>768,216</u>
Total funds carried forward		<u>708,397</u>	<u>92,061</u>	<u>800,458</u>	<u>768,309</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 10 to 21 form part of these financial statements.

The Rationalist Association
Company Limited by Guarantee
Statement of Financial Position
31 December 2017

	Note	2017 Total funds	2016 Total funds £
Fixed Assets			
Tangible fixed assets	17	1,169	2,605
Investments	18	818,253	795,533
		819,422	798,138
Current assets			
Stocks		2,000	2,000
Debtors	19	18,575	31,105
Cash at bank and in hand		55,397	32,780
		75,972	65,885
Creditors: amounts falling due within one year	20	94,936	95,714
Net current liabilities		(18,964)	(29,829)
Total assets less current liabilities		800,458	768,309
Net assets		800,458	768,309
Funds of the charity			
Restricted income funds:			
Revaluation reserve		21,412	16,588
Other restricted income funds		67,395	64,141
Unrestricted funds:			
Revaluation reserve		331,823	283,219
Other unrestricted income funds		379,828	404,361
Total unrestricted funds		711,651	687,580
Total charity funds	22	800,458	768,309

For the year ending 31 December 2017 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The shareholders have not required the charity to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

The statement of financial position continues on the following page.

The notes on pages 10 to 21 form part of these financial statements.

The Rationalist Association
Company Limited by Guarantee
Statement of Financial Position *(continued)*
31 December 2017

These financial statements were approved by the board of Trustees and authorised on 13th July 2017, and signed on behalf of the board by:



Clive Coen
Director

**The Rationalist Association
Company Limited by Guarantee
Notes to the Financial Statements
Year ended 31 December 2016**

1. General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 56-64 Leonard Street, London, EC2A 4LT.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

Going concern

There are no material uncertainties about the charity's ability to continue.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows: the valuation of the Fixed Asset Investments.

Key sources of estimation uncertainty Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions concerning the future are that costs will continue to be controlled and income will be improved. There are no other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The Rationalist Association

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Key sources of estimation uncertainty Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions concerning the future are that costs will continue to be controlled and income will be improved. There are no other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Income tax

The charity is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the directors for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- Income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

The Rationalist Association

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year ended 31 December 2016

3. Accounting policies (*continued*)

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	20% straight line
Equipment	-	25% straight line
Computer systems	-	33% straight line

Investments

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

The Rationalist Association

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

**The Rationalist Association
Company Limited by Guarantee
Notes to the Financial Statements (continued)
Year ended 31 December 2016**

3. Accounting policies (continued)

Financial instruments (continued)

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. A defined contribution scheme is available to staff.

4. Limited by guarantee

The Rationalist Association is a company, registered in England and Wales, limited by guarantee. 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.

5. Donations and legacies	Total Funds 2017	Total Funds 2016
Donations	£	£
Unrestricted	12,356	3,101
Legacies		
Legacies	11,583	54,425
Gifts		
Gift Aid	3,600	-
Rationalist Press Association Gift Aid	-	-
	-----	-----
	27,539	57,526
	=====	=====

The Rationalist Association

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

31 December 2017

6. Charitable activities	Unrestricted	Total Funds	Total funds
	Funds	2017	2016
	£	£	£
Membership subscriptions	10,661	10,661	10,958
New Humanist subscriptions	62,367	62,367	67,014
New Humanist digital subscriptions	2,870	2,870	2,921
New Humanist magazine sales	8,475	8,475	5,672
Book, Ads & Inserts sales	426	426	252
	84,799	84,799	86,817

7. Investment income	Unrestricted	Restricted
	Funds	Funds
	£	£
2017		
Interest and investment income	35,627	3,254
2016		
Interest and investment income	34,682	2,963

Investment income has been apportioned between restricted and unrestricted funds.

8. Expenditure on charitable activities by fund type

	Unrestricted	Total Funds	Total Funds
	Funds	2017	2016
	£	£	£
Fundraising			
Trading: Cost of Goods Sold	86,384	86,384	71,881
Support costs	(19,167)	(19,167)	31,502
	67,217	67,217	103,383
<hr/>			
New Humanist production & distribution		59,108	66,410
Contributors		17,000	18,394
Marketing		1,809	(215)
Book Sales		771	785
Refund from subscription agent		-	(22,790)
Wages and salaries		6,834	8,452
Pension costs		861	845
	86,384	86,384	71,881

The Rationalist Association
Company Limited by Guarantee
Notes to the Financial Statements (continued)
31 December 2017

9. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total 2017	Total 2016
	£	£		£
Fundraising Trading: Cost of Goods Sold and Other Costs	86,384	-	86,384	71,881
Governance costs	-	(19,167)	(19,167)	31,502
	86,384	(19,167)	67,217	103,383

10. Analysis of support costs

	Support costs	Total 2016
	£	£
Finance costs	600	600
Governance costs	(19,767)	30,902
	(19,167)	31,502

11. Other expenditure

	Unrestricted Funds	Total Funds 2017	Total Fund 2016
	£	£	£
Rent	11,236	11,236	23,412
Service charge & rates	4,601	4,601	5,521
Insurance	1,783	1,783	2,108
Legal & professional	4,775	4,775	35
Other office costs	8,990	8,990	18,323
Depreciation	1,436	1,436	6,872
Contractor and other costs	67,149	67,149	68,368
Maintenance of website and internet access	3,958	3,958	3,278
Bank charges	2,563	2,563	3,020
Cost of donations	180	180	180
	106,671	106,671	131,117

12. Net losses on investments

	Unrestricted Funds	Total Funds 2017	Total Fund 2016
	£	£	£
Realised gains/(losses) on listed investments	1,390	1,390	(10)

**The Rationalist Association
Company Limited by Guarantee
Notes to the Financial Statements (*continued*)
31 December 2017**

13. Net expenditure

Net expenditure is stated after charging/(crediting):

	2017	2016
	£	£
Depreciation of tangible fixed assets	1,436	6,872

14. Independent examination fees

	2017	2016
	£	£
Fees payable to the independent examinor for: Independent examination of the financial statements	600	600

15. Staff costs

The total staff costs and employees benefits for the reporting period are analysed as follows:

	2017	2016
	£	£
Wages and salaries	6,834	8,452
Employer contributions to pension plans	861	845
	7,695	9,297

The average head count of personnel during the year was 2.1 (2016 2.1). The average number of full-time equivalent employees during the year is analysed as follows

	2017	2016
Number of staff	0.20	0.20

No employee received employee benefits of more than £60,000 during the year (2016: nil)

16. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees (2016: nil)

The Rationalist Association
Company Limited by Guarantee
Notes to the Financial Statements (continued)
31 December 2016

17. Tangible fixed assets

	Fixtures and fittings	Equipment	Computer systems	Total
Cost	£	£	£	£
At 1 Jan 2017 and 31 Dec 2017	4,946	16,741	10,310	31,997
Depreciation				
At 1 January 2017	4,946	14,136	10,310	29,392
Charge for the year	-	1,436	-	1,436
At 31 December 2017	4,946	15,572	10,310	30,828
Carrying amount				
At 31 December 2017	-	1,169	-	1,169
At 31 December 2016	-	2,605	-	2,605

18. Investments

	Listed Investments
Cost or valuation	£
At 1 January 2017	795,533
Disposals	(30,708)
Fair value movements	53,428
At 31 December 2017	818,253
Impairment	
At 1 January 2017 and 31 December 2017	
Carrying amount	
At 31 December 2017	818,253
At 31 December 2016	795,533

All investments shown above are held at valuation.

**The Rationalist Association
Company Limited by Guarantee
Notes to the Financial Statements (*continued*)
31 December 2017**

18. Investments (*continued*)

Financial assets held at fair value

The investments consist of Listed investments with Charibond and Charifund and are stated at market value at year-end, having been adjusted for fair value movements.

	2017
	£
Cost at 1 January 2017	580,849
Disposals in year	(27,114)
Cost at 31 December 2017	<u>553,735</u>

	£
Realised Gain/(Loss) on Investment	32,098
Sale proceeds	(30,708)
Valuation at 31 December 2017	<u>1,390</u>
Realised profit/(loss) in year	<u>1,390</u>

19. Debtors

	2017
	£
Other debtors	<u>18,575</u>

20. Creditors: amounts falling due within one year

	2017
	£
Trade creditors	7,467
Social security and other taxes	398
Other creditors	<u>87,071</u>
	<u>94,936</u>

21. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £861 (2016: £845).

The Rationalist Association
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Notes to the Financial Statements (continued)
31 December 2017

22. Analysis of charitable funds

Unrestricted funds	At 1 Jan 2017	Income	Expenditure	Gains and losses	At 31 Dec 2017
	£	£	£	£	£
Unrestricted fund -					
General funds	404,361	147,965	(173,888)	1,390	379,828
Revaluation reserve	283,219	-	-	48,604	331,823
	687,580	147,965	(173,888)	49,994	711,651

Restricted funds	At 1 Jan 2017	Income	Expenditure	Gains and losses	At 31 Dec 2017
	£	£	£	£	£
Restricted fund					
64,141	3,254	-	-	-	67,395
Revaluation reserve	16,588	-	-	4,824	21,412
	80,729	3,254	-	4,824	88,807

There were no restricted funds received during the year. The restricted reserves are in relation to a legacy received in 2008 and the use of the reserve is limited to the relief of poverty among members or former members, or their dependents, or employees or former employees and their dependents of the Rationalist Association or Rationalist Press Association Limited. These funds are held within the charity's investments

23. Analysis of net assets between funds

	Unrestricted Funds	Unrestricted Funds	Total Funds
			2017
	£	£	£
Tangible fixed assets	1,169	-	1,169
Investments	746,841	71,412	818,253
Current assets	58,577	17,395	75,972
Creditors less than 1 year	(94,936)	-	(94,936)
Net assets	711,651	88,807	800,458

24. Lease commitments

The company has annual operating lease commitments of £12,455. This represents office rent under a lease due to expire in 2018.

**The Rationalist Association
Company Limited by Guarantee
Notes to the Financial Statements (*continued*)
31 December 2017**

25. Analysis of charitable funds

The publishing of the New Humanist was transferred from the RPA to the RA during the course of 2003. The Directors have accounted for all the trading activites from 1 January 2004 in accordance with applicable Accounting Standards and in order to simplify the accounts presentation.

26. Related parties

The Rationalist Press Association (RPA) and the Rationalist Association are related parties by virtue of having common control. On 1 January 2003 all the trading activities of the Rationalist Press Association were transferred to the Rationalist Association. On 31 March 2003 all the assets of the Rationalist Trust were transferred to the Rationalist Association. During 2017 the RPA made a £nil (2016: £nil) gift aid donation to the Rationalist Association. At 31 December 2017 £1441 was due from the RPA (2016: £805).