



ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 December 2011

Company Number: 00228781

Charity Number: 285987

British Humanist Association **Annual Report for the year ended 31 December 2011**

The Directors present their report along with the Financial Statements of the Charitable Company for the year ended 31 December 2011. The Financial Statements have been prepared in accordance with the accounting policies set out in Note 1 to the Financial Statements and comply with current statutory requirements, the Articles of Association, and the Statement of Recommended Practice – Accounting and Reporting by Charities issued by the Charity Commission in March 2005.

Legal and Administrative Details

Status	The British Humanist Association (BHA) originated as the Ethical Union which was formed in 1896 and became the BHA in 1967. It is a charitable company limited by guarantee, incorporated on 14 March 1928. Its governing instrument is its Articles of Association, adopted on 23 July 2011, which replaced the previous Memorandum and Articles.			
	Company number:	00228781	Charity number:	285987
Registered office	1 Gower Street London WC1E 6HD			
Honorary officers	Chair:		Robert Ashby	
	Vice Chair:		Patricia Rogers	
	Treasurer:		John Woolhouse	
Other directors	John Catt		Iain Paterson	
	Blaise Egan (from July 2011)		David Pollock	
	Alice Fuller		Mary Porter	
	Allan Hayes		Martin Rowson (from November 2011)	
	Michael Imison		David Savage	
	Josh Kutchinsky (until July 2011)			
President	Polly Toynbee			
Principal staff	Chief Executive:		Andrew Copson	
	Head of Operations:		Bernard Halter	
	Head of Ceremonies:		Ben Siegle	
	Head of Public Affairs:		Naomi Phillips	
	Head of Education and Promotion:		Bob Churchill (until May 2011), Sara Passmore (from May 2011)	
Auditors	Messrs Knox Cropper Chartered Accountants 8/9 Well Court London EC4M 9DN			
Bankers	The Co-operative Bank plc 118-120 Colmore Row Birmingham B3 3BA			
Investment Managers	Barclays Wealth 23 Lower Brook Street Ipswich IP14 1AQ			

Charitable Objects

The BHA's Objects are: 'The advancement of Humanism, namely a non-religious ethical lifestance the essential elements of which are a commitment to human wellbeing and a reliance on reason, experience, and a naturalistic view of the world; the advancement of education and in particular the study of and the dissemination of knowledge about Humanism and about the arts and science as they relate to Humanism; the promotion of equality and non-discrimination and the protection of human rights as defined in international instruments to which the United Kingdom is party, in each case in particular as relates to religion and belief; the promotion of understanding between people holding religious and non-religious beliefs so as to advance harmonious cooperation in society.'

What we want

- We want a world where everyone lives cooperatively on the basis of shared human values, respect for human rights, and concern for future generations.
- We want non-religious people to be confident in living ethical and fulfilling lives on the basis of reason and humanity.

What we do

- We promote Humanism, represent the non-religious, and support those who wish to live humanist lives, including through the provision of humanist ceremonies.
- We campaign for a secular state, challenge religious privilege, and promote equal treatment in law and policy of everyone regardless of religion or belief.
- We offer a humanist perspective in public debate, drawing on contemporary humanist thought and the worldwide humanist tradition.

Public benefit

The Trustees have satisfied themselves that the BHA's activities are compliant with law and guidance for charities on public benefit. The Trustees (who are also Directors of the company for the purpose of company law) have set Aims for the Charitable Company which are used as headings in the report that follows and confirm that when setting the Aims they have referred to the guidance contained in the Charity Commissions general guidance on public benefit. The three principal areas of work (which overlap and reinforce each other) are:

- Our education work, through which we aim to have Humanism understood as an ethical and fulfilling non-religious approach to life involving a naturalistic view of the universe, using all suitable means, including events, courses, publications, online resources, teaching materials, and speakers for schools and colleges.
- The provision of non-religious or humanist ceremonies, so helping to meet a growing demand from a larger section of the public than we can currently assist for baby-naming, marriage, and (especially) funeral ceremonies that accord with their own beliefs. Our aim is that all those who want a humanist ceremony should have access to one.
- Our public affairs work, through which we seek to protect the human rights of humanists and other non-religious people and combat the discrimination and disadvantages they encounter. We do this by working for the implementation of the Human Rights Act, especially insofar as it forbids discrimination by public authorities on grounds of religion or belief, and by making representations to Government and others.

While the principal beneficiaries of the charitable company's work are humanists and others with non-religious beliefs, the Trustees consider that the whole public benefits from our promotion of human rights and non-discrimination and from the wide range of information and educational material we offer. Our website is available to all and (sometimes subject to a small admission fee) so are our lectures.

Report on progress towards our Aims

Our year's activities are reported here, as they relate to our current six strategic Aims.

1. We aim to achieve a situation where Humanism is understood as an ethical and fulfilling non-religious approach to life involving a naturalistic view of the universe.

www.HumanismForSchools.org.uk continued to be well used by teachers and we maintained our strong presence lecturing at the initial teacher training course for RE teachers. We developed a new teachers' resource, *Resolution Revolution* for Key Stage 2, in time for schools to run the project over the autumn/spring terms. This resource was downloaded over 250 times and received very favourable reviews.

Our Darwin Day lecture was given by Armand Leroi on mutants and chaired by Richard Dawkins, who also chaired the inaugural Shelley lecture in Oxford, which was given by Ann Wroe on Shelley's *Necessity of Atheism*. The Voltaire lecture was given by Natalie Haynes on what the study of classics can teach us today and chaired by Polly Toynbee. The Holyoake Lecture in Manchester given by Raymond Tallis and chaired by John Harris, explored arguments against biologism, and the Bentham Lecture in London given by Peter Millican marked 300 years since the birth of the philosopher David Hume. The BHA teamed up with Skeptics in the Pub to fund the travel for James Onen, a Ugandan sceptic, to tour the UK and hosted a sell-out talk by him as part of the tour. The audio was recorded by the Pod Delusion and the evening received very favourable reviews including a *Comment is Free* article on *The Guardian* website. We hosted a sell-out armchair discussion between PZ Myers and Richard Dawkins at the Institute of Education with 1,000 in the audience, which has been viewed a further 23,000 times on YouTube. The Humanist Philosophers' day-conference on *The Place of Religion in Public Life* was chaired by Peter Cave and featured Andrew Copson, humanist philosopher Richard Norman, Nasreen Rehman from British Muslims for Secular Democracy, Dilwar Hussain from the Islamic Foundation, Simon Barrow from Ekklesia, and Nick Spencer from Theos.

We sponsored a panel at the sold-out Battle of Ideas on *Creativity and Curiosity*, which featured Dr Ken Arnold, head of public programmes at Wellcome Trust; Dr Tiffany Jenkins, arts and society director at the Institute of Ideas; Professor Colin Lawson, director at the Royal College of Music; Ruth Padel, poet and writer; Professor Raymond Tallis, fellow at Academy of Medical Sciences. Our president, Polly Toynbee, chaired a session on *The End of Ideas* at the acclaimed HowTheLightGetsIn festival in Hay on Wye, and Andrew Copson chaired a session on *Visions of Disaster and Perfection* which featured John Carey, Paul Kingsnorth, and Kevin Warwick.

A national conference was held in Manchester in June with a focus on *The Meaning of Life*, and speakers such as Julian Baggini, Philip Pullman, Peter Atkins, Polly Toynbee, and many more. There were over 160 participants and the videos from the event on our YouTube channel have been viewed over 8,000 times to date.

The Centre for Inquiry UK (CFI UK), a new section of the BHA which aims to apply science and reason to questions regarding religion and the supernatural, and to pressing contemporary ethical, social, and political questions, held its first sold-out debate on *Does Science Support Belief In God?* which featured Richard Swinburne, Emeritus Professor of Philosophy of Religion at the University of Oxford, and Herman Philipse, Professor of Philosophy at the University of Utrecht, The Netherlands. CFI UK also hosted a day-conference on conspiracy theories at Conway Hall in London. The programme aimed to understand conspiracy theories and why people believe them and featured Chris French and Robert Brotherton speaking on *Conspiracy Minded: The Psychology of Belief in Conspiracy Theories*, Karen Douglas on *A Social Psychological Perspective On Conspiracy Theories*, Jamie Bartlett and Carl Miller on *Truth And The Net*, and Ian R Crane on *Conspiracy Theory versus Deep Geopolitics - A Matter of Perception*.

The James Hemming essay competition attracted over 40 sixth form essay entries on the theme of *Man is the measure of all things*. The Blackham Fellowship was awarded to Lois Lee for work on the sociology of the non-religious.

Two further adult courses were developed jointly with South Place Ethical Society (SPES) on death and applied ethics. They began to be piloted at the end of the year.

2. We aim to achieve a situation where people with humanist beliefs and values are supported in identifying themselves as humanists and in expressing those beliefs and values in their lives.

At the end of 2011, the Humanist Ceremonies™ network had 310 trained and accredited celebrants. During the course of the year we trained forty-three new celebrants and 34 existing celebrants in a new ceremony for their 'portfolio'. Eighty attended our annual conference in Leamington Spa.

Based on returns received by 31 March 2012, in the course of 2011 our celebrants conducted 6,775 funerals (compared with 6,998 in 2010), 394 namings (358 in 2010) and 507 weddings and partnership ceremonies (434 in 2010). This represents a total of 7,676 ceremonies performed in 2011 (7,790 in 2010), even in the face of a lower death rate in 2011 than 2010.

Our new celebrant web pages continued to boost our online profile, with over 120 celebrants online by the end of the year. This increased enquiries for all ceremonies.

The working group commissioned to investigate the need for pastoral support for non-religious people in contexts such as prisons, hospitals, and in the armed forces, where religious people have the benefit of a chaplain, reported in January. Following on from its recommendations, the Board agreed the outline of a scheme whereby members of the BHA with relevant qualifications might be 'badged' as accredited voluntary humanist advisers to work alongside chaplains in relevant settings. A pilot project to operate in HMP Winchester was initiated at the end of 2011.

As a result of the extensive consultation process undertaken with affiliated local groups in the course of 2010/11 a new system of affiliation was approved by the Board at the end of 2011. The dual system of partnership and affiliate status for local groups reflects the fact that many groups wanted closer branch-like relationship with the BHA, whereas others wished to remain in the existing pattern. The implementation of the new partnership scheme, which will lead to an increase in partner groups' membership and better advancement of the BHA's strategic Aims on a local level, will run through the first half of 2012 following a pilot at the turn of 2011/12.

Our annual meeting for local group representatives was held in November and over 40 representatives attended. Evaluation of the event, which included training on social media, marketing, press, and PR was overwhelmingly positive.

In the course of 2011, the UK Armed Forces Humanist Association (UKAFHA) was incorporated as a section within the BHA and work began to increase its membership, involve humanists in local remembrance ceremonies, and pilot forms of non-religious support for armed forces members.

New supporter recruitment forms and supporter welcome packs have been introduced which contain more information on Humanism to reach out to those with humanist beliefs and values who may not yet identify them as such. In the course of the year, we held stalls at Pride events in Manchester, Nottingham, Cardiff, Birmingham, London and Brighton, and at London Black Pride. We also held a stall at the William Lane Craig and Stephen Law debate on *Does God exist?*, and at the National Federation of Atheist, Humanist and Secular Student Societies (AHS) conference.

3. We aim to achieve a situation where the UK is a secular state guaranteeing human rights, with no privilege or discrimination on grounds of religion or belief.

Education was a major feature of our work, and particularly on curriculum issues. We made a detailed contribution to the curriculum review, and secured a meeting with the Schools Minister. We began to take the lead in recording and investigating the evidence on new Free Schools, Academies, and 'faith' schools, making extensive comment in media and to political audiences.

We continued our work at the European Parliament and helped to set up the new Alliance for Secular Europe, including shaping its terms of reference, and securing the sign up of many UK organisations to it. Our growing

influence and reputation in Europe can only help our efforts to campaign on issues such as the growing influence of religion on politics, as these are to a great extent pan-European issues.

The All Party Parliamentary Humanist Group (APPHG) had its AGM, welcoming many new members and associates since the previous AGM. The following panel discussion on Bishops in the Lords brought the APPHG and the BHA together with new and religious allies on this issue, and helped to raise our profile as the leading organisation campaigning on the issue.

Relationship-building with key decision-makers was a big part of our work in 2011. We secured regular meetings and communications with senior and specialist officials in the Department for Education, met with the advisers to the Equalities Minister, Lynne Featherstone, and we re-started our meetings with the Department for Communities and Local Government.

We worked a lot on collective worship, first in the Freedom Bill and then in the context of the Education Bill. There is so little support for collective worship it remains surprising that successive governments are so unwilling to shift their position. The argument from equalities and human rights is clear – collective worship is a relic from another era.

Our work on shared public services advanced in 2011, with key parliamentary questions asked regarding equalities and new provisions in the Localism Bill for the contracting of services to ‘community groups’. We met with the team of civil servants working on the Bill, and advised APPHG members on actions to take. We also met with Eaves Housing following them losing the contract to provide services for victims of sexual trafficking to the Salvation Army. We worked closely with Eaves as well as others to explore and expose the legal and political implications of this.

The BHA was one of the main supporters and organisers of the successful Secular Europe Campaign. As part of this it hosted a well-attended panel discussion on Islam in a Secular Europe. The event was filmed and has had over 500 views in the first week of being uploaded to the BHA’s YouTube channel. The march and rally attracted over 1,000 people and many more offered their support from all over Europe. Speakers on the day included members of the BHA staff and Distinguished Supporters.

In order to showcase our work and to present ourselves as the go-to organisation on ‘faith’ schools issues, we published a series of case studies on issues that people had approached us to help with, and how we assisted them. Our work on religious Free Schools and assisting with campaigns in local areas also grew.

We launched our major *Teach evolution, not creationism!* campaign with wide media coverage and huge public support, with many thousands of people signing an online petition and making more demands to the Department for Education.

Working in coalition with others, we increased our work as a pro-choice and rationalist organisation. We spoke out on moves to have anti-abortion groups as advisers to the Department of Health, against moves to introduce mandatory counselling for women considering abortion, and worked with others to demonstrate against moves to introduce abstinence education for girls in schools. We are trusted by women’s groups and education groups, and by journalists who approach us for detail and comment.

Throughout the year we worked on the Education Bill, working very closely with supporters, drafting amendments, providing detailed briefings, co-ordinating parliamentary strategy, and making a significant impact on the issues debated particularly in the House of Lords.

4. We aim to achieve a situation where public debate and policy are shaped by humanist perspectives.

The Census Campaign was extremely successful. This was our first big ‘solo’ public campaign and the benefits paid off. With the public affairs team working closely with the Chief Executive and Head of Promotion, we co-ordinated a public, membership, fundraising, and media campaign, using different methods to promote the campaign and spread the message. Group and supporter involvement was good, from donating money to fund advertisements to

getting actively involved with leafleting, letter writing and so on. Our media coverage – vitally important for reaching out to and well beyond our usual supporter base – was excellent. The volume of reports, both about our campaign and our own comments, interviews, podcasts, and articles, and in local and national media, was very high, with Naomi Phillips and Andrew Copson sharing the responsibility of being organisational spokespeople. BHA VP Professor Richard Dawkins also spoke on our behalf for one interview, and our Distinguished Supporters ‘tweeted’ their support, helping to promote the campaign further. Moreover, the quality and positive nature of media coverage was key, including extensive coverage by the BBC (online, radio, and television), *The Guardian* and other quality press. Being a public-facing campaign, we are likely to have reached new audiences and ours was the main narrative related to the Census 2011, as ‘Jedi’ was in 2001.

Conscientious objection, religious exemptions from law, and other threats to secularism were key issues for our public affairs work in the second half of 2011. Working with the Humanist Philosophers, we published *Right to Object? Conscientious Objection and Religious Conviction*, which enjoyed a launch in parliament and was widely distributed. We publicly criticised the Equality and Human Rights Council (EHRC) for its intervention in the four Christian ‘discrimination’ cases being taken to the council of Europe Strasbourg, which followed a complaint about Trevor Phillips making anti-secularist comments. Our work with the EHRC and with the Equality and Diversity Forum (EDF) led to a more constructive dialogue seminar, with the BHA invited as a core contributor to this and their ongoing work.

Humanist representatives who sit on their local Standing Advisory Councils for Religious Education (SACREs) attended their annual gathering in November. The BHA supports humanists on SACREs, the body responsible for advising local authorities on religious education (RE) and collective worship, and provides information, training, support, and resources to enable them to promote the inclusion of Humanism in RE lessons in state schools. The meeting included a presentation from John Keast OBE, chair of the Religious Education Council of England and Wales, and provided an opportunity for SACRE representatives to share experiences and good practice for including Humanism in the locally agreed syllabus for religious education. Humanists now participate in 115 of the 173 SACREs in England and Wales.

We continued our campaign against censorship and ‘blasphemy via the back door’ actions in this half, commenting on the Phones4U adverts banned by regulators for featuring a cartoon Jesus.

We were a leading voice speaking out against claims that this is a Christian country, and all the connotations that come with that. In the autumn Baroness Warsi made such a speech, followed by David Cameron in December. By challenging such comments and exposing them for being without evidence, we help to give voice to the many millions of disenfranchised non-religious people in the UK.

We pursued work on more ‘ad hoc’ campaigns issues, such as taking a stand against more attempts by the Council of the British Order of Druids (COBOD) to have ancient and historically important human remains reburied. Scientists working with those remains contacted us to thank us for speaking up on what had been seen as a contentious and sensitive issue.

In 2011 we mourned the loss of Distinguished Supporter Miriam Karlin OBE (1925-2011). We welcomed as Distinguished Supporters Professor Jim Al-Khalili, Ricky Gervais, Michael Gore CVO, CBE, David Allen Green, Tony Hawks, Mike Leigh, Alice Roberts, Simon Singh, and Dan Snow.

5. We aim to achieve a situation where we are an expanding, financially healthy, and sustainable organisation with high standards of governance and management.

The need to increase regular voluntary income and improve our fundraising was a major feature of 2011. The year began with the creation of a Board and management level fundraising group to plan, monitor, and evaluate fundraising initiatives taken by external consultants. Following a series of successes, the management felt confident enough to proceed with the creation of a staff post for fundraising at the end of the year. Nonetheless, continuing gloom in the national economy requires a vigilant approach in the coming year.

Our income from donations and subscriptions increased in 2011 by 17% compared with 2010; we recruited 3,900 new members and supporters (compared with 3,204 in 2010).

An appeal to members and supporters looking for increased monthly direct debit donations in spring, which made use of telephone fundraising for the first time, generated £13,887 by the end of 2011.

Four cash appeals by post in the course of the year, the last of which was supplemented by online giving through the Big Give Christmas Challenge website, raised a total of £119,810.

We collected £98,308 from celebrant levies which was below our budget but up slightly from £97,585 in 2010, and this was after absorbing the impact of raised VAT on celebrant levies payable by BHA in 2011 from 2010. However, targets were not met largely due to the drop in the overall number of funeral ceremonies performed (3.2%).

A new legacies leaflet was created and mailed to all supporters, which generated a considerable number of pledged legacies.

We ended 2011 still needing to develop new member and supporter recruitment, having concentrated throughout the year on raising additional funds from existing supporters. This was reflected in the fundraising plan adopted for 2012.

Following the adoption of new Articles of Association at the 2011 AGM, the Board also adopted new byelaws to modernise this element of governance and at the end of the year a governance working group was commissioned by the Board to review and improve the regulations surrounding the role and duties of trustees. Following the full review of staff management structures in 2010, plans were made in 2011 to review non-staff aspects of management.

6. We aim to achieve a situation where we are respected as an organisation for our expertise and professionalism and recognised as the national voice of Humanism and a leading national voice for the non-religious and for secularism.

We were called as experts to give evidence to the independent Commission on Assisted Dying, to the House of Commons Public Administration Select Committee on the 'Big Society', and to the joint parliamentary committee on House of Lords reform to give the secularist, humanist, and non-religious perspective on these key public policy issues.

Organisations and media outlets as diverse as Channel 4 News, *The Guardian*, *The Express*, BBC, *The Sun*, *The Independent*, the Cambridge Union, the Department for Education, the Equality and Human Rights Commission, Premier Christian Radio, the Crown Prosecution Service, University College London, the Department for Work and Pensions, the Religious Education Council of England and Wales – and many more – looked to the BHA throughout the year to provide a non-religious, secularist, or humanist perspective on a range of issues.

Feedback from clients of our ceremonies work showed a 5/5 satisfaction rate from 97% of respondents during the course of the year.

We undertook a review of all our policies relating to public affairs in the course of the year, culminating in a review of all our campaigns, which put us in a good position to operate in a much-changed political environment in the years ahead.

Financial Review

The Trustees approved a budget for 2011 which incorporated a significant change from previous practice. Hitherto we speculatively provided for legacy income equal to the average of the previous five years' legacy receipts: in future we will make no provision for legacy income. 2011 was a transitional year in which the only allowance made for legacy income was £65,000 due from estates in administration, whereas our traditional approach would have budgeted for legacy income of £119,000.

The new approach to managing legacy income provides for it to be spent in the year following receipt, or on specific projects when received, unless there is a need to replenish depleted reserves. This will increase our financial resilience and enhance the confidence with which we support new projects.

We ended the year on a very positive note with a surplus of £68,301 against a budget deficit of £19,130. This reflects the outstanding success of our new fundraising initiative and allowed us to enter 2012 with confidence.

Our 'faith' schools campaign continues to be well supported and we carried forward into 2012 sufficient funds to support our full time faith schools officer until 31st March 2013.

Our investments continue to be managed by Barclays Bank under a discretionary arrangement with an overall investment policy to be socially responsible, avoiding investments in armaments, tobacco, and pornography, and to avoid undue fluctuations in value.

Reserves

The Trustees continued to consider that a ratio of reserves to annual expenditure of approximately 50% should be our objective. Our reserves are defined as the funds available to be spent at the Trustees' discretion in the furtherance of the objectives of the Charity (thus excluding restricted funds donated for specific purposes). At the end of the year the ratio of reserves to total resources expended during the year was 48%. Again, a positive result compared with the equivalent ratio of 47% in 2010.

Risk

The Trustees have developed a risk management policy to ensure that important risks are identified, evaluated and appropriate mitigating action taken. Financial, legal, governance, personnel, and other risks are reviewed on an annual basis, with actions determined on the basis of the likelihood of particular events occurring and how critical the consequences would be. Annual risk reviews include operating plan activities, finance, insurance, trademark, office building, fire, health and safety, and terms and conditions of employment of staff.

Statement of Directors' Responsibilities

Company law requires the Directors (the Trustees) to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing the Financial Statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the principles of the Charity Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on a going-concern basis unless it is inappropriate to presume that the Company will continue to operate.

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

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 S485 of the Companies Act 2006, a resolution proposing the reappointment of Knox Cropper as auditors will be put to the Annual General Meeting.

On behalf of the Board: Robert Ashby, Chair, 12 May 2011

Independent Auditors' Report to the members of the British Humanist Association

We have audited the Financial Statements of the British Humanist Association for the year ended 31 December 2011 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Note of Historical Cost Surpluses and Deficits, the Balance Sheet, and the related Notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective Responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors (who are also the Trustees of the charitable company for the purpose of charity law) are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Financial Statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on Other Matters Prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

Matters on which we are Required to Report by Exception

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.

8/9 Well Court
London EC4M 9DN

Duncan Jones MA, ACA
Senior Statutory Auditor
For and on behalf of
Knox Cropper
Chartered Accountants
Statutory Auditors

12th May 2012

Statement of Financial Activities for the year ended 31 December 2011

		Funds 2011			Funds 2010
		Restricted	Unrestricted	Total	Total
Notes		£	£	£	£
INCOMING RESOURCES					
Incoming Resources from Generated Funds					
Voluntary Income					
- Legacies and donations	2	100,374	479,266	579,640	446,667
Investment Income					
- Rent and service charges	3	-	18,112	18,112	21,010
- Dividends and interest	4	-	5,791	5,791	6,978
Incoming resources from charitable activities	5	19,455	482,344	501,799	456,662
Total Incoming Resources		119,829	985,513	1,105,342	931,317
RESOURCES EXPENDED					
Costs of generating funds	6	-	(135,889)	(135,889)	(79,076)
Costs of charitable activities	7	(102,453)	(788,857)	(891,310)	(870,697)
Governance costs	9	-	(10,089)	(10,089)	(8,251)
Total Resources Expended		(102,453)	(934,835)	(1,037,288)	(958,024)
Net Incoming Resources/(Resources Expended)					
before Transfers		17,376	50,678	68,054	(26,707)
Realised gains/(losses) on investments	12	-	1,729	1,729	2,626
Net income/(expenditure) for the year		17,376	52,407	69,783	(24,081)
Unrealised (losses)/gains on investments	12	-	(1,482)	(1,482)	15,095
NET MOVEMENT IN FUNDS		17,376	50,925	68,301	(8,986)
Balances brought forward at 1 January		74,071	447,534	521,605	530,591
BALANCES CARRIED FORWARD AT 31 DECEMBER		91,447	498,459	589,906	521,605

All recognised gains and losses are included in the income and expenditure account

Summary income and expenditure account for the year ended 31 December 2011

	2011 £	2010 £
Total Incoming resources from continuing operations	1,105,342	931,317
Total expenditure on continuing operations	<u>(1,037,288)</u>	<u>(958,024)</u>
	68,054	(26,707)
Realised gains on disposal of Investments	<u>1,729</u>	<u>2,626</u>
Surplus/(deficit) for the year	<u><u>69,783</u></u>	<u><u>(24,081)</u></u>

Note of historical cost surpluses and deficits for the year ended 31 December 2011

	2011 £	2010 £
Surplus/(deficit) for the year as reported above	69,783	(24,081)
Difference between historical costs gain/(loss) on disposal of investments and gain/(loss) reported above	<u>1,416</u>	<u>7,146</u>
Historical cost surplus/(deficit)	<u><u>71,199</u></u>	<u><u>(16,935)</u></u>

Balance Sheet for the year ended 31 December 2011

	Notes	2011 £	2010 £
FIXED ASSETS			
Office equipment	11	2,329	4,219
Investments	12	<u>250,801</u>	<u>247,952</u>
		253,130	252,171
CURRENT ASSETS			
Stocks	13	-	12,902
Debtors	14	159,313	182,779
Cash at bank and in hand		<u>217,819</u>	<u>114,531</u>
		377,132	310,212
LIABILITIES			
Creditors: Amounts falling due within one year	15	<u>(40,356)</u>	<u>(40,778)</u>
NET CURRENT ASSETS		<u>336,776</u>	<u>269,434</u>
NET ASSETS		<u><u>589,906</u></u>	<u><u>521,605</u></u>
Represented by			
FUNDS :			
Unrestricted	16	498,459	447,534
Restricted	17	<u>91,447</u>	<u>74,071</u>
Total Funds		<u><u>589,906</u></u>	<u><u>521,605</u></u>

Approved by the Directors on 12 May 2012

R Ashby.....Chair. JT WoolhouseHon Treasurer

Company Registered Number 00228781

Notes to the Financial Statements for the year ended 31 December 2011

1. Accounting policies

Basis of Preparation

These Financial Statements have been prepared under the Historical Cost Convention. The financial reporting framework applied in the preparation of the Financial Statements is applicable law and United Kingdom accounting standards (United Kingdom generally accepted accounting practice). The Financial Statements are in accordance with the Statement of Recommended Practice (Accounting and Reporting by Charities) issued by the Charity Commissioners in March 2005 and the Companies Act 2006.

Prepayments and accruals

Prepayments and accruals less than £100 have not been taken into consideration.

Tangible fixed assets and depreciation

All tangible fixed assets costing more than £500 were capitalised and all tangible fixed assets are valued at historic cost. Provision is made for depreciation on tangible fixed assets, at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life. The principal rates adopted are:

Office equipment: 20% p.a. straight line

Computer equipment: 33 1/3% p.a. straight line

Value Added Tax

The Charity is registered for Value Added Tax (VAT) and where applicable, amounts are included net of VAT.

Cash flow statement

The Charity has not prepared a cash flow statement for the year as required by Financial Reporting Standard No.1 because the Charity has relied on the exemption available for small undertakings.

Funds

Unrestricted funds are those funds which can be used at the Trustees' discretion. Restricted funds are those funds where application is restricted by conditions set by the donor. Designated funds are those funds which have been earmarked by the Trustees for specific purposes.

Grants Receivable

Revenue grants are credited to incoming resources on the earlier of when they are received or when they are receivable, unless they relate to a specific future period, in which case they are deferred. Capital grants for the purchase of fixed assets are credited to restricted incoming resources when they become receivable. Depreciation on the related fixed assets is charged against the restricted fund.

Charitable activities

Costs of charitable activities include direct expenditure and an apportionment of overhead and support costs as shown in Note 7.

Governance costs

Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These include costs related to statutory audit.

Allocation of overhead and support costs

Overhead and support costs are incurred centrally across the range of our activities throughout the year. They have been apportioned between charitable activities on the basis of staff time or office space depending on the nature of the cost. The Directors consider this to be a reasonable reflection of the utilisation of resources.

Pensions

The Charity contributes to various defined contribution pension schemes on behalf of employees and, as the Charity's liability is limited to paying amounts across as they fall due, the pension charge reflected in the accounts represents the amount payable for the year.

2. Legacies and donations

	2011			2010
	Restricted Funds	Unrestricted Funds	Total	Total
	£	£	£	£
Donations and Gift Aid	100,374	362,277	462,651	311,288
Legacies	-	116,989	116,989	135,379
	<u>100,374</u>	<u>479,266</u>	<u>579,640</u>	<u>446,667</u>

3. Activities for generating funds

	2011			2010
	Restricted Funds	Unrestricted Funds	Total	Total
	£	£	£	£
Rents	-	15,802	15,802	14,346
Charges to tenants	-	2,310	2,310	6,664
	<u>-</u>	<u>18,112</u>	<u>18,112</u>	<u>21,010</u>

4. Investment income

	2011			2010
	Restricted Funds	Unrestricted Funds	Total	Total
	£	£	£	£
Interest	-	187	187	274
Dividends	-	5,604	5,604	6,704
	<u>-</u>	<u>5,791</u>	<u>5,791</u>	<u>6,978</u>

5. Activities in furtherance of the Charity's objects

	2011			2010
	Restricted	Unrestricted	Total	Total
	Funds	Funds		
	£	£	£	£
Subscriptions	-	241,880	241,880	253,967
Group fees	-	2,050	2,050	2,642
Celebrants levies	-	98,308	98,308	97,585
Celebrants training	-	72,802	72,802	46,752
Celebrants accreditation fees	-	3,597	3,597	3,191
Events & activities	9,530	46,832	56,362	28,500
Sales of literature	-	12,101	12,101	14,734
Sales of videos and merchandise	-	2,243	2,243	1,466
Lottery grant for Resolution Revolution	9,925	-	9,925	-
Sundry income	-	2,531	2,531	7,825
	<u>19,455</u>	<u>482,344</u>	<u>501,799</u>	<u>456,662</u>

6. Cost of generating funds

	2011			2010
	Restricted	Unrestricted	Total	Total
	Funds	Funds		
Fundraising costs	-	(131,981)	(131,981)	(73,962)
Investment manager's fees	-	(1,250)	(1,250)	(1,492)
Purchase of merchandise	-	(2,658)	(2,658)	(3,622)
	<u>-</u>	<u>(135,889)</u>	<u>(135,889)</u>	<u>(79,076)</u>

Fundraising costs increased significantly in 2011 due to our substantially increased fundraising activity in line with the budget as further explained in the Trustees' report.

7. Analysis of costs of charitable activities

	2011			2010
	Direct	Support Costs	Total	Total
	Expenditure	(Note 8)		
Education and Promotion	(184,441)	(66,364)	(250,805)	(73,134)
Ceremonies	(166,500)	(102,256)	(268,756)	(291,181)
Public Affairs	(135,416)	(75,750)	(211,166)	(319,690)
Activities for Members and Affiliated Groups	<u>(83,323)</u>	<u>(77,260)</u>	<u>(160,583)</u>	<u>(186,692)</u>
	<u>(569,680)</u>	<u>(321,630)</u>	<u>(891,310)</u>	<u>(870,697)</u>

The increased expenditure on Education and Promotion and the decreased expenditure on Public Affairs in 2011 reflect the rebalancing of our activities as explained in the Trustees' report.

8. Support costs

	2011	2010
	£	£
Staff costs	(123,615)	(168,738)
Rent and rates	(74,632)	(73,990)
Repairs and maintenance	(44,916)	(24,353)
Postage and stationery	(21,494)	(18,074)
ICT excluding telecoms	(10,070)	(9,882)
Utilities & telecoms	(6,901)	(8,949)
Irrecoverable VAT *	(1,658)	(37,013)
Subscriptions	(88)	(127)
Bank charges & interest	(13,375)	(6,980)
Depreciation	(1,808)	(4,051)
Other costs	<u>(23,073)</u>	<u>(22,537)</u>
	<u><u>(321,630)</u></u>	<u><u>(374,694)</u></u>

Support costs have been apportioned between the various categories of charitable activities according to whether they are overheads or centrally incurred expenditure. Overheads have been apportioned in relation to the office space occupied by each area of activity, and centrally incurred expenditure on charitable activities has been apportioned in relation to the staff time employed in each area of activity. The Directors consider this provides a reasonable approximation to the utilisation of resources.

* Irrecoverable VAT was substantially reduced in 2011 because of a refund from HMRC in respect of overpayments in previous periods.

9. Governance costs

	2011	2010
	£	£
Audit fees	(4,650)	(4,500)
Other professional expenses	(2,236)	(1,635)
Trustee meeting expenses	<u>(3,203)</u>	<u>(2,116)</u>
	<u><u>(10,089)</u></u>	<u><u>(8,251)</u></u>

10. Staff costs

	2011	2010
	£	£
Wages and salaries	(352,253)	(371,945)
Social security costs	(36,520)	(37,113)
Pension contributions	<u>(10,542)</u>	<u>(12,056)</u>
Total payroll costs	(399,315)	(421,114)
Staff recruitment	(6,563)	(1,594)
Temporary staff	<u>(676)</u>	<u>-</u>
	<u><u>(406,554)</u></u>	<u><u>(422,708)</u></u>
 Average number of employees	 12	 13

No employee earned in excess of £60,000 (2010: £Nil)

11. Tangible assets

	2011	2010
	£	£
Office Equipment		
Cost at 1 January	63,480	62,972
Additions	800	508
Disposals	<u>-</u>	<u>-</u>
As at 31 December	<u>64,280</u>	<u>63,480</u>
 Depreciation at 1 January	 (59,261)	 (55,049)
Charge for the year	(2,690)	(4,212)
Disposals	<u>-</u>	<u>-</u>
Depreciation at 31 December	<u>(61,951)</u>	<u>(59,261)</u>
 Net book value at 31 December	 <u><u>2,329</u></u>	 <u><u>4,219</u></u>

12. Investments

	2011	2010
	£	£
Market value at 1 January	239,907	360,076
Additions	52,227	38,401
Disposal proceeds	(80,902)	(176,291)
Realised gains/(losses)	1,729	2,626
Unrealised (losses)/gains	(1,482)	15,095
Market value at 31 December	211,479	239,907
Cash with brokers	39,322	8,045
Total investments at 31 December	<u>250,801</u>	<u>247,952</u>
Investments at cost 31 December	<u>191,253</u>	<u>216,783</u>

Investments with a market value in excess of 10% of the portfolio were:

	2011	2010
	£	£
M&G Securities corporate bond	23,435	41,646
M&G Securities recovery fund	35,567	37,995
Fidelity Investments UK bond fund	<u>27,194</u>	<u>26,312</u>

13. Stocks

	2011	2010
	£	£
Literature and merchandise	<u>-</u>	<u>12,902</u>

No stocks are disclosed. As stock values are not material and because the basis of valuation adopted was very approximate, the Association has ceased to account for stocks.

14. Debtors

	2011	2010
	£	£
Rent deposit	35,000	35,000
Prepayments	28,118	26,168
VAT refunds	32,509	-
Legacies receivable	17,500	75,000
Gift Aid	24,774	21,229
Other accrued income	20,801	18,333
Other debtors*	611	7,049
	<u>159,313</u>	<u>182,779</u>

* This includes interest free season ticket travel loans to staff.

15. Creditors: Amounts falling due within one year:

	2011	2010
	£	£
Accruals	(10,856)	(20,344)
Other creditors	<u>(29,500)</u>	<u>(20,434)</u>
	<u><u>(40,356)</u></u>	<u><u>(40,778)</u></u>

16. General reserves

	Revaluation Reserve	Accumulated Income	Total
	£	£	£
Balance b/f at 1 January 2011	23,124	424,410	447,534
Surplus/(deficit) for the year	-	52,407	52,407
Unrealised (losses)/gains on investments	(1,482)	-	(1,482)
Transfer on realisation	<u>(1,416)</u>	<u>1,416</u>	<u>-</u>
Balance c/f at 31 December 2011	<u><u>20,226</u></u>	<u><u>478,233</u></u>	<u><u>498,459</u></u>

17. Restricted funds

	Balance at 1 January 2011	Incoming Resources	Resources Expended	Balance at 31 December 2011
	£	£	£	£
Education	-	16,025	(951)	15,074
Campaigns	-	11,082	(11,082)	-
Ceremonies	-	620	(620)	-
AHS	328	5,684	(5,408)	604
Music (including the BHA choir)	5,096	3,303	(5,518)	2,881
Voltaire Lecture	9,524	-	(171)	9,353
2011 Census	9,017	7,114	(16,131)	-
Faith Schools	49,181	30,983	(29,759)	50,405
Florence Elizabeth Steers	-	100	(100)	-
Accord	925	31,374	(31,511)	788
Centre for Inquiry	-	3,452	(63)	3,389
Resolution Revolution	-	9,925	(1,139)	8,786
UKAFHA	<u>-</u>	<u>167</u>	<u>-</u>	<u>167</u>
	<u><u>74,071</u></u>	<u><u>119,829</u></u>	<u><u>(102,453)</u></u>	<u><u>91,447</u></u>

Education

This fund results from legacies and donations given to support BHA education work.

Campaigns

This fund results from legacies and donations given to support BHA lobbying and campaigning work.

Ceremonies

This fund results from legacies and donations given to BHA specifically for ceremonies work.

AHS

This fund is used to manage the financial affairs of the National Federation of Atheist Humanist and Secular Student Societies (AHS).

Music (including the BHA choir)

This fund was initiated by a donation from Alec Reed to develop the BHA's musical resources. In 2011 all income and expenditure related to the activities of the BHA choir.

Voltaire Lecture

With the agreement of the Charity Commission this fund was transferred some years ago from 'The Voltaire Lectures Fund', a separate charity, which was wound up, to the BHA. Capital can be spent as income on public lectures as a memorial to Voltaire.

2011 Census

This fund was established in 2010 for managing the funds raised to draw attention to the disingenuous nature of the question about religious affiliation in the 2011 census and to campaign for non-religious people to tick the 'No Religion' box.

Faith Schools

Faith Schools appeal funds are restricted to BHA lobbying and campaigning work relating to faith schools and other education campaigns. Funds raised by appeal in excess of the target sought are restricted to the campaigns fund.

Florence Elizabeth Steers

This fund was established by Gordon Ruddock on behalf of his late partner, Florence Elizabeth Steers, to help support our work opposing 'faith' schools.

Accord

This fund is used for donations we receive to cover the payroll costs of one individual who works for the Accord Coalition.

Centre for Inquiry

In 2011 Centre for Inquiry UK (CFI UK) became a section of the BHA whilst retaining its affiliation to Center For Inquiry, inc. Income from CFI events is shared equally between the BHA General Fund and the CFI Restricted Fund to provide a contribution to the costs incurred by the BHA in supporting CFI activities.

Resolution Revolution

A National Lottery grant used to fund our 'Resolution Revolution' project in schools.

UKAFHA

The UK Armed Forces Humanist Association (UKAFHA) joined the BHA as a new section in 2011. This fund will be used to manage their financial affairs. In 2011 incoming resources were exclusively donations and all expenditure on behalf of UKAFHA was from the general fund.

18. Operating leases

At 31 December 2011 the Company had the following annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2011	2010	2011	2010
	£	£	£	£
Renewal date between one and two years	70,000	-	2,816	-
Renewal date between two and five years	-	70,000	-	2,816
	<u>-</u>	<u>70,000</u>	<u>-</u>	<u>2,816</u>
	<u>-</u>	<u>70,000</u>	<u>-</u>	<u>2,816</u>

The charitable company holds a head lease from the freeholder of 1 Gower Street, the Bedford Estate. Sub-leases were granted by the BHA to the International Humanist and Ethical Union and the Rationalist Association.

19. Taxation

The BHA is a registered charity and is potentially exempt from tax in respect of income and capital gains received within the categories covered by Part II of the Corporation Taxes Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are exclusively applied to charitable purposes.

20. Contingent liabilities

The lease on 1 Gower Street terminates on 1 February 2013. Dilapidations costs will arise under the terms of the lease. Professional advice has been obtained and full accrual is reflected in the accounts for the sum estimated to be due. The eventual liability has yet to be determined.

21. Directors' remuneration and expenses

No remuneration, directly or indirectly, out of the funds of the Charity was paid or is payable for the year to any director or to any person known to be connected with any of them.

Directors were reimbursed a total of £1,488 (2010: £1,688) for travel expenses to attend meetings in connection with their duties.

22. Capital commitments

There were no capital commitments at 31 December 2011 (2010: nil).

23. Pension commitments

The Charity contributed to individual defined contribution pension schemes for several employees. The assets of the schemes are held separately from those of the Charity in independently administered funds. Total employer's contributions paid in the year were £10,542 (2010: £12,056).

24. Net assets

	Total	Fixed Assets	Net Current Assets
	£	£	£
Unrestricted funds	498,459	253,130	245,329
Restricted funds	<u>91,447</u>	<u>-</u>	<u>91,447</u>
	<u><u>589,906</u></u>	<u><u>253,130</u></u>	<u><u>336,776</u></u>

25. Reversionary interest

The BHA has been bequeathed a reversionary interest in a Trust established under the terms of the Will of Christine Cotton, who died on 24 January 2000. The Trust assets comprise a property (occupied by the Life Tenant), investments and bank accounts. The value of the investments as at 5 April 2011 (the date of the annual valuation by the Trustees) was £69,176 (2010: £75,389) (including cash in the Trustees' bank account).

The Trustees have indicated to the BHA that the property (bought in 2002 for £85,000) had a value in 2011 of approximately £140,000, (ascertained by comparison with the price of similar properties in the locality).

Because the Charity cannot predict when it will become entitled to the receipt of this legacy, no accrued income has been reflected in the accounts.

26. Related party transactions

Directors are not remunerated but are able to recover out of pocket expenses for attendance at Board meetings the total amount reimbursed being disclosed in Note 21.

The Chief Executive is also a director of International Humanist and Ethical Union. International Humanist and Ethical Union sub-lets part of the charitable company's office accommodation with the rent charged in 2011 amounting to £3,956.25

The Head of Public Affairs is also a member of the Executive of the Accord Coalition. The Accord Coalition uses desk space at the charitable company's premises for no charge.