



Amnesty International
United Kingdom

Report of the Boards on the pro-forma

**COMBINED
FINANCIAL
STATEMENTS**

for the year ended 31 December 2011

Amnesty International United Kingdom

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COMBINED FINANCIAL STATEMENTS

for the year ended 31 December 2011

AIUK Section – a company limited by guarantee

Company reg. number 1735872
Date of incorporation 30 June 1983

Board members

Ciarnan Helferty (chair: appointed 10 June 2011)
Brian Landers (treasurer)
Emma France (vice-chair: appointed 10 June 2011)
Katie McSherry
Rona Keen
Peter J Murray
Sharmila Kar
Sarah O'Grady
Collette Anne Crill
Hannah Perry (elected 3 June 2011)
Brian Gilda (elected 3 June 2011)
Harrison Littler (elected 3 June 2011)
Cris Burson-Thomas (co-opted 3 June 2011)
Tom Hedley (chair: retired 3 June 2011)
Duncan Booth (retired 3 June 2011)
Caroline Fisher (retired 3 June 2011)
Réshad Suffee (resigned 15 July 2011)

AIUK Section Charitable Trust – a company limited by guarantee

Charity reg. numbers:
England & Wales 1051681
Scotland SC039534
Company reg. number 03139939
Date of incorporation 16 December 1995

Board of trustees

David Norgrove chair
Stuart Hathaway
Angela Crack
Brian Landers
Grainne Walsh (re-appointed 02 April 2011)
Ciarnan Helferty (appointed 11 July 2011)
Sarah O'Grady (appointed 11 July 2011)
Harrison Littler (appointed 11 July 2011)
Tom Hedley (retired 11 July 2011)
Caroline Fisher (retired 11 July 2011)

Amnesty Freestyle Limited – a company limited with share capital

Company reg. number 2918065
Date of incorporation 24 May 1994
(a wholly-owned subsidiary of AIUK Section)

Board of directors

Kate Allen
Tom Hedley
Kerry Moscoquiri
Martin Tyler
Brian Landers (appointed 23 March 2011)
Glyn Isherwood (retired 23 March 2011)

Secretary and Registered office

Martin Tyler
The Human Rights Action Centre
17-25 New Inn Yard
London EC2A 3EA
Tel: 020 7033 1500
email: financecontact@amnesty.org.uk

Bankers

Co-operative Bank plc
9 Prescott Street
London E1 8BE

External auditors

BDO LLP
East Street
Epsom KT17 1HS

Internal auditors

Sayer Vincent
8 Angel Gate
City Road
London EC1V 2SJ

Solicitors

Bates, Wells & Braithwaite
138 Cheapside
London EC2V 6BB

REPORT OF THE BOARDS

Structure, governance and management

INTRODUCTION

The Boards have pleasure in presenting this report on the affairs of all the organisations within the Amnesty International United Kingdom (AIUK) 'family' together with the pro forma combined audited financial statements for the year ended 31 December 2011. Details about the three entities involved and their legal status are shown on the inside cover. These combined financial statements do not represent the statutory financial statements of any of the individual organisations; separate financial statements are prepared for each.

A High Court decision in the early 1980s ruled that some of Amnesty's campaigning activities could not be charitable under English law, which has resulted in the complex structure of AIUK. However, most of Amnesty's supporters in the UK reasonably but wrongly believe that the whole of AIUK is a charity and have no understanding of the different organisations involved. The Board has therefore decided to recognise this confusion by publishing the combined results of the AIUK organisations to help understanding of the overall picture.

The financial statements of Amnesty International (UK Section) Charitable Trust have been prepared on the basis of the 2005 Statement of Recommended Practice – Accounting and Reporting for Charities (SORP) issued by the Charity Commission for England & Wales. The financial statements of Amnesty International UK Section and Amnesty Freestyle Limited have been prepared in accordance with applicable Accounting Standards in the UK for limited liability companies. The Board has decided to adopt the framework of the SORP for reporting these combined financial statements as they believe this format is the most appropriate

OVERVIEW OF OUR STRUCTURE IN RELATION TO THE WORLDWIDE AMNESTY INTERNATIONAL MOVEMENT

Amnesty International is an unincorporated worldwide movement which has as its objective the securing throughout the world of the observance of the Universal Declaration of Human Rights.

The movement consists of independent sections throughout the world and an International Secretariat in London consisting two companies – Amnesty International Limited and Amnesty International Charity Limited.

AIUK is part of the worldwide Amnesty International movement. The name and logo are registered in the name of Amnesty International Limited and the AIUK organisations have a licence to use the name and logo in the United Kingdom.

AIUK consists of two main legal entities:

Amnesty International United Kingdom Section ("UK Section") a membership organisation whose policy and priorities are set, within the context of decisions of the

International Council of Amnesty International, by the members at the Annual General Meeting. The UK Section pursues the objective of the movement in the United Kingdom by campaigning for observance, and opposing violations, of human rights. In August 2006 the UK Section acquired Amnesty Freestyle Limited, a trading company.

Amnesty International (UK Section) Charitable Trust ("UK Trust"): the UK Trust meets its charitable objectives by funding Amnesty International Charity Limited to conduct its worldwide research into the observance and abuses of human rights. It also part-funds projects undertaken by the UK Section.

The Charities Act 2006 made the advancement of human rights a legally enshrined specific charitable purpose. In addition, clarification by the Charity Commission makes it clear that charities are allowed to carry out political activities in support of charitable purposes.

The Boards are reviewing the structure of both companies as we believe there may be changes that could be made that would increase the ability for Amnesty to receive the tax benefits that other UK charities receive. Should this require any element of constitutional change this will be brought to future AGM's of the UK Section.

Governance

i) UK SECTION

The UK Section is a membership based Company Limited by Guarantee, managed by a Board of 15 individual members, 12 of whom are elected by the whole membership. The Board has the power to co-opt the remaining three places on the basis of a skills audit of the existing Board members to ensure the most appropriate skills are obtained. It has permission from the Registrar of Companies to omit 'Limited' from its title. Its Board is elected by universal franchise of its members. Individual voting membership of the UK Section stood at 146,143 (152,768 at December 2010). The Board appoints the Trustees of the UK Trust and the Directors of Amnesty Freestyle Limited, a trading company acquired by the UK Section in August 2006.

ii) UK TRUST

The UK Trust is a Company Limited by Guarantee and is controlled by its Trustees (who are the Directors and Members). The Trustees are appointed by the Board of UK Section; some of the Trustees are normally serving members of the Board of UK Section. Trustees are appointed for a three-year term, and under the Articles of Association can serve for a maximum of two consecutive terms. They are then eligible for re-appointment after a gap of one year. The Trustees meet at least three times each year and are generally very familiar with human rights and the work of Amnesty International. Induction training is provided for new Trustees, and they regularly receive training and presentations from experts on their roles and responsibilities. The Trustees have delegated oversight of the business and financial affairs of the UK Trust to a Finance Sub-Committee, which comprises some Trustees, Board and ordinary members of UK Section, and which also acts as the Finance Sub-Committee of the UK Section.

The Trustees' policy is to pursue some of its charitable objects by grant funding of the UK Section. The UK Trust pays an appropriate charge for the use of premises, computer systems and other physical assets owned by the UK Section. As the Trust raises money in Scotland, has the use of the UK Section's Edinburgh office and part-funds some UK Section activities which take place in Scotland, the Trustees were pleased to register the UK Trust as a charity registered in Scotland with the Office of the Scottish Charity Regulator (OSCR).

The Board of Section, the Board of Trust, and members of the Finance Sub-Committee give their time voluntarily and received no benefits.

Further details of the respective responsibilities of the Boards can be found in the individual published accounts.

Objectives and activities

1. KEY OBJECTIVES AND STATEMENT OF BENEFITS

AIUK is part of the worldwide Amnesty International movement, which campaigns for internationally recognised human rights to be respected and protected.

The vision and mission of AIUK, therefore, are those of the international movement. Amnesty International's vision is for every person to enjoy all of the human rights enshrined in the Universal Declaration of Human Rights and other international human rights standards. Its mission is to conduct research and take action to prevent and end grave abuses of all human rights: civil, political, social, cultural and economic.

Our guiding principles are the universality and indivisibility of human rights, effective action for the individual victim, impartiality and independence, democracy and mutual respect, international solidarity and global presence.

AIUK contributes to this by identifying and working towards external change in support of the objectives developed within the framework of the Integrated Strategic Plan (ISP) of the worldwide Amnesty movement.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our objectives and in planning our future activities. In particular, the Boards consider how planned activities will contribute to the objectives they have set. We also note the provisions of the Charities Act 2006 which have made the advancement of human rights a charitable purpose.

Our objectives or purposes, and the activities that flow from them are broadly aligned to those summarised in the Charity Commission's guidance publication RR12 – The Promotion of Human Rights.

Our main activities and those whom we help are described below. All our activities focus on delivering human rights benefit both to specific individuals and to the public in general.

Some of the benefits described in our activities and achievements below are more obvious, for example,

protecting individuals at risk of human rights abuse or securing the release from custody of human rights defenders.

We also believe that campaigning to prevent or end human rights abuses, by promoting general awareness of human rights, creating a sentiment in favour of human rights, and encouraging supporters to take action, is a benefit to all of humankind.

2. KEY ACTIVITIES UNDERTAKEN BY STAFF, VOLUNTEERS AND ACTIVISTS

AIUK currently employs the equivalent of 179 full-time salaried staff (see note 10) based in offices in London, Belfast, Cardiff and Edinburgh. This is a relatively small part of the Amnesty movement in the United Kingdom, as many activities are undertaken by unpaid volunteers.

Our main activities happen because of the number of volunteer and activist supporters who make a considerable contribution around the UK in many different ways towards Amnesty's global objectives.

The Boards are extremely grateful to the huge contribution made by our activists and volunteers.

Activities and achievements

INDIVIDUALS AT RISK OF HUMAN RIGHTS ABUSE

Write for Rights: in 2011 we joined the movement's global letter-writing marathon for the first time, combining it with our annual Greetings Card Campaign. There were events in 83 countries, generating over a million actions across the world in what became our biggest letter-writing campaign ever. In the UK alone over 200 letter-writing events took place in towns, cities, schools and universities across the country as supporters wrote tens of thousands of letters and cards.

Urgent Action Network: the members of our Urgent Action (UA) Network write appeals to the relevant authorities when human rights violations require an immediate response – for example to avert torture or imminent execution. UAs are a global action technique that allows us to respond quickly to cases and issues, and can be updated as the situation on the ground changes. The UK Section takes up every UA case issued by the International Secretariat. In 2011 network members took action on 369 new UAs, compared to an average of around 350 in previous years. Much of the increase was generated by the crisis in the Middle East and North Africa.

CORPORATE SOCIAL RESPONSIBILITY

Vedanta: in July Amnesty published its "Generalisations, Omissions, Assumptions" report, which revealed that the company had failed to adequately assess the impacts of its proposed projects in Orissa, India. Many of its recommendations are reflected in the conditions that the Indian government's Environmental Appraisal Committee imposed on Vedanta in August 2011. Thousands of families face serious risk from threats of leaks from Vedanta's red mud pond. Levels of red mud in the pond have risen and local communities fear that they could face a grave situation in the event of a breach of the pond. Amnesty International

is also engaging some of Vedanta's key investors to hold the company accountable for the impact of its past and future operations on the human rights of local communities.

Shell: in November 2011, Amnesty and the Centre for Environment, Human Rights and Development released "The true tragedy: delays and failures in tackling oil spills in the Niger Delta", a report that called for Shell to commit an initial US\$1bn to begin the clean-up. Amnesty student groups have been targeting Shell's exhibits at careers fairs and recruitment events on campus, distributing leaflets and talking to Shell employees who were unaware of the situation in Nigeria.

Forced evictions: Amnesty campaigns against housing rights violations, takes action to show solidarity with people who have been forcibly evicted, and defends people threatened with forced eviction across the world, including in the UK. In 2011 Amnesty supporters took action against forced evictions across the world including in Italy, Serbia, Guatemala, Egypt and Kenya. In March 2011, the Deep Sea community in Nairobi suffered a devastating fire where 90% of the community lost their homes and at least one woman died. Amnesty made calls for emergency provision to be made for the homeless residents as the authorities were slow to respond and hundreds of people were left without food or shelter. In the aftermath, local officials attempted to block residents from returning to the site to rebuild. Amnesty intervened, releasing statements and contacting the authorities directly. Subsequently, residents were allowed back and were able to rebuild most of the community within a few months.

REFUGEES AND ASYLUM-SEEKERS

Destitution: Amnesty student activists slept on the streets for a night to raise awareness about the destitution of refused asylum seekers. More than 1,000 people took part in 32 sleep-outs across the UK.

Enforced removals: Amnesty helped to secure an injunction against the forcible removal of a group of Iraqi asylum seekers, just hours before they were due to be put on a charter flight. Since then, there have been no more attempts to fly refugees back to Iraq on chartered planes, although a few have been returned by scheduled flights. Amnesty International continues to oppose the UK government's view that asylum seekers can safely be returned to Iraq and the Court of Appeal has given us permission to challenge it in the courts.

Legal casework: Amnesty gave evidence in more than 50 asylum appeals – in the overwhelming majority of these, the appellant won. Several of the cases set important legal precedents. For example, a judgment in early 2012 significantly improved the situation for Afghan children seeking asylum in the UK.

CONTROL ARMS

Arms Trade Treaty (ATT): twenty years of campaigning by Amnesty comes to a head in July 2012, when final negotiations open at the UN on the international Arms Trade Treaty (ATT). Over the past year our international research and lobbying has laid the groundwork and campaigners from Amnesty and the Control Arms coalition attended two preparatory conferences. A July meeting

in New York produced a strong text on human rights and on broad inclusion of weapon types but it remained weak on transparency, regulating potentially lethal riot control equipment, and gender-based violence. There are still big challenges ahead. While some states clearly did not want a robust treaty, others tried to strip out key recommendations on a strong human rights rule or the inclusion of ammunition. We are urging political leaders here to ensure UK support for the treaty does not wane.

Cluster Bombs: our campaign focused on Royal Bank of Scotland, the biggest funder of companies which produce cluster bombs. More than 10,000 people e-mailed RBS Chief Executive Stephen Hester to demand the bank stop these investments. Cluster bombs kill and maim many more civilians than combatants. We prepared a hard-hitting mass advertising campaign, backed by public donations. Two days before the advertisements were due to go out RBS announced its intention to stop the controversial funding. Our next step is to push the government to work with banks and non-governmental organisations to draft a code of conduct encouraging all banks and investors to withdraw funding from cluster bomb manufacturers.

Tasers: we continue to voice concern about the wider deployment of tasers to non-specialist police officers and about the lack of clarity over their use. We remain in dialogue with the police, government and other bodies and are continuing our advocacy and media work on this issue.

SECURITY AND HUMAN RIGHTS

Guantánamo Bay: almost 18,000 people around the world signed an Amnesty petition calling on President Obama to close the detention centre. We also lobbied the UK Foreign Secretary William Hague on behalf of Shaker Aamer, a UK resident who has been held at Guantánamo without charge or trial for 10 years. Members also wrote to US Secretary of State Hillary Clinton to call on her to take action on the case.

DEATH PENALTY

Troy Davis: The execution of Troy Davis on 21 September 2011, after 20 years on death row in Georgia, USA, showed the death penalty in all its cruelty and unfairness. The state of Georgia insisted on going ahead with the execution, despite the serious doubts about his guilt. Troy himself remained a campaigner to the last, seeing his own story as part of the long struggle to abolish the death penalty. In his final statement before being put to death, he maintained his innocence of the crime and asked his friends and family to 'continue to fight the fight'.

End stoning in Iran: Amnesty is working alongside Iranian campaigners to end stoning, a particularly cruel method of execution. The Iranian authorities declared a moratorium on stoning in 2002, but at least six people have been stoned to death since then. At present, four men and 10 women are believed to be under sentence of death by stoning. After learning that the Iranian authorities are reviewing the Penal Code, Amnesty groups have been sending action cards to Iran calling for stoning to be removed from the code. We hope to see results when the review of the Penal Code is completed.

COUNTRY CAMPAIGNING

Nicaragua: Amnesty has been working with women's groups in Nicaragua to lobby for a better response to sexual violence and a repeal of the total ban on abortion. When Amnesty delegates visited the country, they persuaded four presidential candidates in Nicaragua's election to pledge zero tolerance for violence against women. The delegation also presented a petition of 212,165 signatures from people in 115 countries to eradicate sexual violence against women and girls.

Burma: Amnesty activists continued to put pressure on the authorities to release political prisoners and completed a project to distribute radios to rural communities. Since the discredited elections in November 2010 there have been signs of change. Following the release of opposition leader Aung San Suu Kyi shortly after the poll, her National League for Democracy was reinstated as a legal political party, and she is running in a by-election in April 2012. In May 2011 the authorities reduced all prison sentences by one year and commuted all death sentences to life imprisonment. In October they announced that – for the first time in 50 years – trade unions would be allowed to organise. And by the end of January 2012, nearly 500 political prisoners – including many that Amnesty campaigned for – had been released. More than 1,000 remain in jail however.

Middle East and North Africa: Over the year Amnesty researchers made multiple visits to Tunisia, Egypt, Bahrain, Libya, Iraq, Lebanon, Algeria, Israel and the Occupied Palestinian Territories, Turkey, and the United Arab Emirates, sometimes at considerable risk to their lives and safety. Amnesty took action demanding an end to arms transfers to repressive states in the region, calling on the European Union to protect migrants and refugees fleeing the fighting in Libya, and called on members of the UN Security Council to help stop the bloodshed in Syria by imposing an arms embargo, freezing the assets of President Assad and referring the situation to the International Criminal Court.

REACHING OUT

We use a wide range of media and methods to catch people's interest, explain what human rights are about, and inspire people to get involved in Amnesty's work. In the last twelve months this included:

Amnesty TV: the online video channel, Amnesty TV (tv.amnesty.org.uk) launched in July 2011. A mixture of humour, satire and human rights messages, it is a bold experiment in engaging with new audiences. It aims to entertain a young, mainstream, internet-savvy demographic with short accessible items and puts human rights issues in front of thousands of people who might not be reachable via, or amenable to, traditional campaigning methods.

Events: Amnesty events are a way to connect with people, to share some incredible stories, get more people involved, and to feel like you're part of something important. This year's events have raised thousands of pounds, and together we have marked Amnesty's 50th anniversary up and down the country.

Media: part of our work involves targeting particularly influential media – such as BBC Radio 4's Today programme. Between April and September, Amnesty went on Today 14 times. Subjects included Amnesty's report on child soldiers

in Somalia, our withdrawal from the UK Detainee Inquiry and the Arab Spring.

Digital: Digital activism has been an exciting part of 2011 for Amnesty. Amnesty's websites, presence on social networking sites including Facebook and Twitter, and other forms of digital communication help us to get our message out quickly, connect with new audiences, and expand our campaigning, fundraising and outreach work. Over the past year, there has been a huge growth in the number of people we reach through digital technology. More than 2 million people visited Amnesty's websites in 2011. Over 61,000 people have 'liked' the Amnesty UK Facebook page, up by 69% from 2010, while around 43,000 people follow our Twitter account. In line with our online vision for the future, we are currently re-developing our website.

AMNESTY IN THE COMMUNITY

Hundreds of items appeared in local media as a result of the work of our local groups, who took to the high streets and other venues with all kinds of events – everything from comedy nights and concerts to tea parties and world record attempts – to raise awareness of Amnesty and our campaigns. Through these efforts Amnesty maintains an enviable profile locally, often reaching people who don't consume national media. Activists are also fantastic fundraisers working hard to make money in a difficult financial environment. Our groups raised £220,000 in 2011.

Our youth supporter base saw a big increase in this anniversary year. At least 114 new youth groups were set up in schools and we have 10 new student groups. The 2011 Amnesty student conference, held in November at the Human Rights Action Centre in London, was attended by 250 students from groups across the UK. The focus of the conference was on delivering a strong Arms Trade Treaty in 2012. There were 25 expert speakers, 20 workshops and entertainment from two poets and a comedian.

HUMAN RIGHTS EDUCATION

Our work with schools aims to reach children and young people by encouraging teachers to bring human rights into the classroom and the entire school ethos. We offer educational materials, training and advice, to help them do this – all of which is tailored to the education systems in England, Scotland, Wales and Northern Ireland.

Speak Free: a key plank of our work is the annual schools pack, which in 2011 was entitled "Speak Free", with the twin themes of freedom of expression and Amnesty's 50th anniversary. Produced in English and Welsh, with an accompanying sticker competition, the pack was distributed to 4,484 schools across the UK. An additional 295 schools in Wales received the Welsh and English packs. Teachers, students and youth activists contributed to the pack's development.

Schools speakers: more activists than ever trained as school speakers in 2011. By the year end, the numbers of speakers had risen by 33 to a total of 160. At least 51,000 students were reached through school speaker workshops, compared to around 45,000 in 2010. Training events were held in Edinburgh, Cardiff, London, Belfast, Durham, and Peterborough. In Birmingham we held a training and information-sharing session for experienced speakers,

drawing on the ideas and experience of seasoned Amnesty speakers.

CAMPAIGNING IN THE NATIONS AND REGIONS

As well as the Human Rights Action Centre in London, we also have staffed offices in Belfast, Cardiff and Edinburgh. We do this to ensure that the Amnesty campaigns are co-ordinated and represented in these areas.

POLICY AND GOVERNMENT AFFAIRS

The policy and government affairs team works to shape and influence the human rights political agenda of the UK. The team is responsible for the policy, advocacy, and information work of the UK Section that makes for effective campaigning. The team adds value to the work of Amnesty International by relating international issues to the UK political scene and by contributing towards the UK dimension of their research and campaigns. The team provides support and advice and promotes best practice in all its areas.

TRANSPARENCY AND ACCOUNTABILITY

The UK Section is committed to transparency and accountability in all its operations. A full description of how the organisation is governed, managed and funded, the nature of our work and the extent of our impact, is available in the Amnesty International UK Annual Report. Download: www.amnesty.org.uk/

RESEARCH ON HUMAN RIGHTS VIOLATIONS

The UK Trust continues to part-fund research projects commissioned by Amnesty International Charity Limited. The areas covered included combating discrimination, justice and impunity, physical and mental integrity, people in armed conflict, rights of uprooted people, domestic and sexual violence suffered by women and girls, and support for economic, social and cultural rights.

A full account of the work undertaken worldwide by Amnesty International can be found on: www.amnesty.org/

As discussed in their report last year, the Trustees support the desire of the worldwide Amnesty movement to increase the amount of human rights work that is undertaken in the global south and east; in particular in the African continent and countries like India and Brazil. However, the number of Trust supporters is still lower than the number of supporters in March 2007. To reverse that decline we have recently been allocating a large amount of our financial resources to try to build up our supporter base to grow our future income. During 2011 these activities precluded support for the UK Section's campaigning programmes undertaken primarily in the UK. The Trustees expect to be able to restore this support, at least in part, during 2012.

The Trustees continued to part-fund research projects being undertaken by the worldwide Amnesty International movement. The projects we funded covered a wide range of areas including:

Demand dignity

- Maternal mortality in Nicaragua: women's experience of poverty, discrimination and violence and the right to life and health of mothers where sexual and reproductive

rights are denied

- Clean up in the Niger Delta: for half a century the oil industry in the Niger Delta has fuelled poverty, conflict and abuse. Oil pollution has seen livelihoods destroyed and food and water sources contaminated. The campaign calls for action by the oil companies, the Nigerian government and corporate 'home' states (Netherlands, United Kingdom, also France and Italy, amongst others) to support an independent and transparent process of clean-up and rehabilitation
- Slums: an on-going programme of work in Africa focused on mass forced evictions that drive slum dwellers even deeper into poverty and violate their right to housing.

Make international justice real

- Accountability and reform in the Democratic Republic of Congo (DRC): mass abuses continue as highlighted by the recent mass rapes in Eastern DRC. The publication of a UN Mapping Report documents years of abuses and we are pushing for appropriate follow up so that there is a plan of action to ensure that the perpetrators are brought to justice and the victims receive reparation. We also want the DRC government to prioritise the reform of the security sector to ensure vetted, properly trained and accountable government army and police forces.

No security without human rights

- Our work has targeted governments who resort to unlawful forms of detention in the name of countering terrorism or on other "national security" grounds. At issue has been detentions that are arbitrary because the grounds and procedures are not sufficiently defined in national law, administrative detentions, incommunicado detentions, secret detentions, enforced disappearances and prolonged pre-charge detention (Yemen, Iraq, and Pakistan, as well as work in India, Libya, Egypt and Turkey).

Focusing on individuals rights holders at risk

- Freedom of expression: people continue to be imprisoned, tortured, killed or face a variety of other abuses for the peaceful expression of their opinions or for working to defend human rights. In this context we will highlight a number of individual appeal cases, reflecting the diversity of people and the range of issues involved.

Global digital strategy

- We are working to deliver improvements to our digital capacity because we feel that Amnesty International is lagging behind in what is required for us to be able to make full use of the opportunities that digital technology offer for human rights activism. We are focussing on how we can foster growth in the Global South, how we enable active participation and self-mobilisation.

Assessing AI's human rights impact

- The emphasis for the 2011 work was around capacity building and standard setting through the completion of toolkits and learning programmes. (We will continue this next year through the development of policies outlining AI's commitment to assessing and learning from the impact of its work).

A full account of the work undertaken world-wide by

Amnesty International can be found on: www.amnesty.org

RECRUITING AND RETAINING AMNESTY SUPPORTERS

Amnesty International draws its political and financial strength from the fact that it is a membership organisation. This defines the way it works and gives it legitimacy, creativity and a truly human perspective.

We need more supporters for two reasons: to develop human rights activists and to provide secure income streams into the future. Both of these help to increase our impact and effectiveness. This recruitment activity continues to generate future income as well as adding to the pool of those able to take action on human rights abuses. For this reason the Boards have decided to allocate these recruitment costs between Costs of Generating Voluntary Income and Expenditure on Charitable Activities on a 60/40 ratio.

Individual voting membership of the UK Section stood at 146,143 at December 2011. (December 2010 152,768). In 2011 the Acquisition team recruited 5,532 new members, meeting the target of 5,514. We retained 90% of the members who were active in December 2010. In 2012 we plan to maintain the 90% retention rate. The Acquisition team target for 2012 is to recruit 4,190 new members. The forecasted number of members at end of 2012 is 139,240.

At end of December 2011 the number of regular Trust givers' was 55,063 (December 2010: 49,193). In 2011 the Acquisition team recruited 13,945 new regular Trust givers, below the target of 25,305. We retained 82% of the regular trust givers who were active in December 2010. In 2012 we plan to maintain the 82% retention rate. The Acquisition team target for 2012 is to recruit 11,582 new regular Trust givers. The forecasted number of regular Trust givers at the end of 2012 is 57,251.

In addition to the regular and committed-giving members and supporters above, we also benefited from many single donations taking the total number of active financial supporters to 227,740 for the year.

Financial review

The financial statements are formatted to comply voluntarily with the 2005 Charity SORP as this is considered the most appropriate format for the organisation's activities.

WHAT WE PLANNED FOR THE YEAR ENDED 31 DECEMBER 2011

The main financial component of our strategic plans from 2011 to 2016 is to accept the challenge set by the global Amnesty movement to increase our total income by 35%. This is a difficult target, but it is one we want to tackle because we recognise the need for Amnesty to have more effective human rights impact in the global south and east. We intend to achieve our financial commitments to the movement without undermining our ability to maintain effective campaigning work in the UK.

Board meetings in December 2010 agreed significant

investments in three main areas:

- A budget of up to £4.3 million (an initial £3.8m and a further £0.5m held in reserve) for the recruitment of new Amnesty supporters and activists. This was based on the desire to grow our support base which in turn allows us to increase our future funding of human rights campaigning work throughout the global Amnesty movement
- An allocation of £635k for the continuing development of a new website to allow supporters and activists to interact with Amnesty more effectively.
- An additional voluntary contribution of £300k to the global Amnesty movement with this being allocated towards initiatives in the "BRICS" countries.

As a result the Boards agreed a budget deficit of £3.8 million for 2011 funded from surplus reserves of £4.8m held at the start of the year.

PERFORMANCE DURING THE PERIOD

Although our target of recruiting at least 38,000 new supporters was deliberately ambitious, we made good progress during 2011. We operated a range of recruitment initiatives and performance against plan was closely monitored during the year by Amnesty's senior management team and at regular meetings of the Board's finance committee. Close management of the programme allowed us to channel our investment towards the best performing initiatives. Despite the economic headwind, and the capacity of the recruitment agencies that we used, we were pleased with a final total of just over 32,000 new supporters. Although the recruitment programme was weighted towards the second half of the year, around 60% of those new supporters began making financial contributions to Amnesty during 2011.

We made good progress on the substantial redevelopment our digital website. Most of the planned costs were incurred and we are excited at the prospect of beginning to roll out the new functionality in various phases during 2012. This will make a major contribution to improved interaction between Amnesty and its activists and supporters.

We were also able to fund the planned additional contributions to the global Amnesty movement in order to develop Amnesty's presence in the global south and east.

Much of the income benefit from the the 2011 recruitment programme will not be reflected in the current year because many new recruits will not make their first financial contribution until early 2012. In addition, we did not meet all of our recruitment targets. This is one factor in our income for 2011 being identical to the previous nine-month period on a pro-rata basis. Legacy income was substantially higher than the amount we budgeted for. Other income sources which performed well included community fundraising initiatives and there was improved performance on our supporter appeals. However our grant and major donor income was down compared to the previous period. The bulk of our income comes from ongoing subscriptions and donations from individual supporters and members. Despite difficult economic conditions this income was comparable to 2010; we are very grateful to all who contributed for their continuing support.

Although we committed to investing some of our surplus

reserves to grow our supporter base we have also been able to increase the resources allocated to human rights research, campaigning and activism. During 2011 we increased these expenditures by over £1m compared to the pro rata-ed prior nine-month period.

Overall, we budgeted for a deficit of £3.8m during 2011. The outcome was a deficit of £2.7m. The main variance was an underspend on our ambitious recruitment programme because we streamlined our investments during the year to focus on the most profitable initiatives.

NET CURRENT ASSETS AND BALANCE SHEET

There were several components in the £3.2m decrease in our net current assets. The main driver was the deficit for the year of £2.7m. Another was a decision to repay the proportion of our outstanding mortgage on the Human Rights Action Centre.

BUDGET 2012 AND BEYOND

During 2012 we will continue to implement the plans developed during 2010 which set our strategic direction until 2016 including the substantial challenge set by the global Amnesty movement to increase our total income by 35% in order to allocate more resources to the global south and east. As we intend to achieve our financial commitments to the movement without undermining our ability to maintain effective campaigning work in the UK, we will continue to allocate a similar amount of resources to that work.

In 2011 we increased our grants to the global Amnesty movement from a pro-rata figure of £6.8m in 2010 to £7m in 2011. For 2012 we plan to increase this to around £7.75m although most of this increase will depend on our ability to increase our income from foundations, trusts and major donors. Overall we have set our fundraising team a demanding target of increasing our total income by about 5%. Our major investment in supporter recruitment in 2011 is not sustainable but we still plan to recruit almost 16,000 new financial supporters.

The Board noted the forecast reduction in our deficit for 2011 in agreeing a budget deficit of £1.5m for 2012. While we have endeavoured to use our surplus reserves to fund growth and maintain our campaigning work in the UK, we recognise the need to bring our finances back into balance from 2013 onwards and we will need to review our resource allocations during 2012.

CORPORATE RELATIONS

In 2007 Amnesty International's Executive Committee finalised its policy on this subject. Following this the Boards decided to adopt the same policy and procedures. The international policy is published on the UK Section's website.

FINANCIAL INDEPENDENCE

Amnesty International is independent of any government, political ideology, economic interest or religion. It does not support or oppose any government or political system, nor does it necessarily support the views of the victims whose rights it seeks to protect. To ensure our independence, we do not seek or accept money from governments or political parties. In no way do monies received from corporate donors

influence or affect our ability to campaign.

INVESTMENT POLICY

The organisation's investment policy requires the maximisation of income returns subject to the following considerations:

- minimisation of risk shall be of the utmost importance. No speculative investments shall be made.
- invested funds shall be kept liquid to allow them to be called upon as necessary
- no investment shall be made if the organisations are aware that the investment vehicle may present a compromise (or a perception of one by its supporters) to the organisation's commitment to human rights.

In practice, the organisation adheres to this policy by a day-to-day strategy of placing its available funds with its bankers on short and medium term deposit; this ensures a reliable income stream and enables ready access to the funds should they be required to support essential human rights work.

Statement on risk and reserves

1. OVERVIEW

The Boards are aware of the need to assess the risks faced by the organisations and respond in such a way as to manage those risks appropriately. In particular, we carried out a comprehensive risk identification, assessment and management analysis. A register of risks has been compiled, risks scored for likelihood and impact, and risk management strategies and timescales established. Individual senior managers are nominated to take responsibility for each significant risk area. This register has been updated during the year and reflects the major risks affecting the charity.

The organisation concerns itself with human rights in an ever-changing environment and the Boards are very much aware that the risks facing the organisation are not constant. Consequently, the monitoring of risk will continue to be a high priority for the Boards.

2. MAJOR RISKS AND UNCERTAINTIES

The Boards consider the following to be major risks and uncertainties facing the organisation:

i) Regulatory compliance

The ability of the UK Trust to raise money is greatly enhanced by its charitable status. This relates to the charity's ability to raise money in a tax efficient manner through gift aid, as an exempt beneficiary in relation to legacies, and from trusts and foundations who normally require grantees to have charitable status. Strategies to manage this risk include:

- formal and informal dialogue with the Charity Commission
- formal procedures for the review of grant applications
- use of specialist tax advisors
- review of fundraising programmes and materials
- training programmes for fundraising staff
- a programme of internal audit assessment.

ii) Legal claim relating to website or publications content

The Boards are aware that there is a considerable and continual flow of communication via our website and written

publications. Strategies to manage this risk include:

- formal management structures, internal controls and training to mitigate the threat of legal action in relation to the content of our communications
- content of all major website changes and new publications monitored by senior managers
- legal advice in relation to web and publication content is taken where necessary
- ongoing discussions with insurers in relation to the extent risk can be mitigated by insurance policies.

iii) Political attack

This could include an attack driven by a particular political motive or media agenda. The Boards consider that an attack on any part of the global Amnesty movement could have major implications for the ability of the organisation to maintain existing supporters, recruit new supporters or raise funds from other external sources. It is recognised that this is a risk that is not easy to control and may arise as a reaction to a decision taken by another Amnesty Section or the worldwide movement.

Although the Boards would have to react rapidly to any political attack, our strategy for dealing with this is based on long term foundations:

- build and strengthen Amnesty as a democratic movement, that also engages effectively with the general public in the UK
- be open and transparent: we have recently appointed a full-time transparency and accountability manager to develop this in all of our work
- be independent of, but develop constructive relationships with a broad range of political parties
- develop relationships with and earn the respect of the media.

iv) Supporter retention

Regular membership subscriptions and donations from individual supporters, and the related gift aid, currently make up around 86 per cent of the organisation's total voluntary income. The Boards are aware of the need to continually recruit new supporters to replace those who cease to make donations.

Strategies to manage the effects of this risk are:

- a policy of continual investment in new member and supporter recruitment to replace those who lapse
- a high emphasis on generating income from as broad a range of sustainable sources as possible
- a very cautious approach to budgeting income.

3. SYSTEMS AND PROCEDURES TO MANAGE OTHER RISKS

Our risk register is very detailed. A summary of the main strategies to deal with other risks include:

- formal procedures governing the delegation of specific authority to the Director and to the Finance Sub-Committee
- consideration of all financial issues by the Finance Sub-Committee and subsequent feedback to the Boards
- input into Board meetings from members of the organisation's senior management team who consider day-to-day risk at their regular meetings
- segregation of duties among members of staff as far as possible

- formal limits to staff members' ability to authorise expenditure
- the establishment of an internal audit programme.

4. RESERVES POLICY

The Boards take a risk based approach to reserves, therefore our policy is to hold a level of unrestricted free reserves (ie ignoring tangible fixed assets to the extent that they are not funded by debt) sufficient to meet the quantification of the risks on the risk register.

As at 31 December 2011 the unrestricted free reserves stood at £5.1 million.

The target free reserves are calculated on the basis of the financial impact and probability of the significant risks identified in the risk assessment, and amount to £3.7 million.

Inherently there is a degree of judgement involved in identifying risks faced by the organisation and in establishing the appropriate level of reserves that the organisation should maintain to mitigate against those risks.

Surplus of reserves above requirement

The surplus of free reserves above target at 31 December 2011 stood at £1.4 million. (The UK Section held surplus reserves of £1.5 million and the UK Trust held a deficit on reserves of £0.1 million).

Included in the above surplus of reserves is legacy income of £0.7 million which had not been received at the year end.

Auditors

All of the current board members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the companies auditors for the purposes of their audit and to establish that the auditors are aware of that information. The board members are not aware of any relevant audit information of which the auditors are unaware.

Thank You

The success of Amnesty International crucially depends on the combined efforts of all its supporters – activists, members, office volunteers, donors and paid staff. To them the Boards express their heartfelt gratitude for their past support and look forward to working in partnership with them all for even greater results in the future.

These financial statements are now approved by the Boards and authorised for issue on

19th May 2012

Ciarnan Helferty

Ciarnan Helferty, Chair

REPORT OF THE INDEPENDENT AUDITORS OF AMNESTY INTERNATIONAL UNITED KINGDOM

To the Boards of Amnesty International United Kingdom

We have audited the accompanying pro forma combined financial statements of the entities listed in Note 2 (together "the Organisation") (the "financial statements") for the year ended 31 December 2011 which comprise the Combined Statement of Financial Activity, the Combined Balance Sheet, the Combined Cash Flow Statement and the related notes. These financial statements have been prepared in accordance with the basis of accounting set out on page 18 and the accounting policies set out therein.

This report is made solely to the Boards of Amnesty International United Kingdom. Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Boards as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE BOARDS AND AUDITORS

The Boards are responsible for preparing the annual report and the pro forma financial statements in accordance with the basis of accounting and the accounting policies set out on pages 18 to 19.

In preparing those financial statements, the Boards are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the pro forma financial statements on the going concern basis unless it is inappropriate to presume that the Organisation will continue in business.

The individual Boards of the entities making up the Organisation are responsible for safeguarding the assets of the Organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION

In our opinion:

- The pro forma financial statements have been properly prepared in accordance with the basis of accounting set out in note 2; and
- the information given in the Board's report is consistent with the financial statements.



Don Bawtree (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick
United Kingdom

Date: 22 May 2012

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

COMBINED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2011

	Note	Unrestricted Funds	Restricted Funds	Endowment Fund	Total	Total Funds 9 mths
		Dec-11 £000s	Dec-11 £000s	Dec-11 £000s	Dec-11 £000s	Dec-10 £000s
Incoming resources from generated funds						
Voluntary income						
Subscriptions and donations from members and supporters	3	16,205	249		16,454	12,375
Legacies	3	2,635	-		2,635	1,553
Gift Aid	3	1,366	-		1,366	1,169
Grants	3	-	189		189	278
Total voluntary income		20,206	438		20,644	15,375
Activities for generating funds	4	2,760	-		2,760	2,112
Income from pursuit of objectives	5	253	-		253	200
Investment and other income	6	38	-		38	65
Total incoming resources		23,257	438	-	23,695	17,752
Expenditure						
Cost of generating voluntary income	3	5,843	-		5,843	3,237
Activities for generating funds	4	2,266	-		2,266	1,129
Total cost of generating funds		8,109	-		8,109	4,366
Expenditure in pursuit of objectives						
Human rights campaigning	7	8,108	457		8,565	6,150
Research: human rights violations	7	6,984	-		6,984	5,119
Investment in activist recruitment	7	2,258	-		2,258	1,228
Total expenditure in pursuit of objectives		17,350	457		17,807	12,497
Governance costs	8	484	-		484	335
Total resources expended		25,943	457	-	26,400	17,198
Net (deficit)/surplus for the year before revaluation		(2,686)	(19)	-	(2,705)	554
Unrealised gain/(loss) on revaluation of investment asset	15	-	-	4	4	(4)
Net movement on funds		(2,686)	(19)	4	(2,701)	550
Total funds brought forward	15/16	15,982	365	220	16,567	16,017
Total funds carried forward	15/16	13,296	346	224	13,866	16,567

All amounts relate to continuing activities. There are no recognised gains or losses other than the deficit for the year. The notes on pages 18 to 29 form part of these financial statements.

COMBINED BALANCE SHEET

at 31 December 2011

	Note	Dec-11 £000s	Dec-11 £000s	Dec-10 £000s	Dec-10 £000s
Fixed assets					
Tangible fixed assets	12	10,459		10,768	
Investments	12	<u>31</u>		<u>220</u>	
			10,490		10,988
Current assets					
Debtors	13	1,968		2,160	
Cash at bank and in hand		<u>4,557</u>		<u>8,041</u>	
		6,525		10,201	
Creditors: amounts falling due within one year	14	<u>(791)</u>		<u>(1,233)</u>	
Net current assets			5,734		8,968
Creditors: amounts falling due after more than one year	14		(2,358)		(3,389)
Total net assets			<u>13,866</u>		<u>16,567</u>
Reserves					
Restricted					
Endowment	15	224		220	
Grants	15	<u>346</u>		<u>365</u>	
			570		585
Unrestricted					
Undesignated	16	5,195		8,554	
Designated	16	<u>8,101</u>		<u>7,428</u>	
			13,296		15,982
Total reserves			<u>13,866</u>		<u>16,567</u>

These financial statements are now approved by the Board and authorised for issue on

19 May 2012



Brian Landers, Treasurer

The notes on pages 18 to 29 form part of these financial statements.

COMBINED CASH FLOW STATEMENT

for the year ended 31 December 2011

	Note	Dec-11 £000s	Dec-11 £000s	Dec-10 £000s	Dec-10 £000s
Net cash (outflow)/inflow from operating activities	17		(2,434)		74
Returns on investment and servicing of finance					
Interest received	6	38		35	
Interest paid	9	(138)		(149)	
Net cash outflow from return on investments and servicing of finance			(100)		(114)
Taxation					
Corporation tax paid	11		0		0
Capital expenditure and financial investment					
Maturing fixed asset investments		193		-	
Payments to acquire tangible fixed assets	12	(112)		(9)	
Net cash inflow/(outflow) from capital capital expenditure and financial investment			81		(9)
Financing					
Decrease in long term debt			(1,031)		(165)
Decrease in cash			(3,484)		(214)

The notes on pages 18 to 29 form part of these financial statements

NOTES FORMING PART OF THE PRO FORMA COMBINED FINANCIAL STATEMENTS

for the year ended 31 December 2011

1. AIMS AND ORGANISATION

Amnesty International United Kingdom exists to further the aims of the international Amnesty movement as contained in the Mission and Vision of Amnesty International and in the decisions made by the International Council Meetings.

A large number of individuals and groups in the UK are members of, or are affiliated to, the UK Section. These accounts only reflect cash received from the individual groups, and do not reflect their activities, since AIUK is not responsible for their finances.

2. ACCOUNTING POLICIES

Basis of accounting

The directors and trustees of Amnesty International United Kingdom Section, Amnesty International (UK Section) Charitable Trust and Amnesty Freestyle Limited have elected to prepare proforma combined financial statements of the Amnesty International United Kingdom organisation. These proforma combined financial statements reflect the combined operations and statements of affairs of the following entities (together "the Organisation"):

- Amnesty International United Kingdom Section
- Amnesty International (UK Section) Charitable Trust
- Amnesty Freestyle Limited

These proforma combined financial statements aggregate, on a line by line basis, the transactions and balances of the organisation. Transactions and balances between the entities have been eliminated.

The proforma combined financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment assets. The report and proforma combined financial statements have been prepared, as far as is reasonably practicable, in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in 2005 and applicable accounting standards.

Income and expenditure

- income from royalties, events and interest receivable is accounted for on an accruals basis
- grant income is recognised when any conditions for receipt have been met, or when received if no such conditions apply
- income from all other activities including subscriptions and other contributions from members and turnover generated by the Section's shops is accounted for when received
- tax recoverable on Gift Aid income within this is accounted for on a receivable basis
- interest income is accounted for on an accruals basis
- legacy income is accounted for on an accruals basis to the extent that the amounts are certain to be received and are capable of accurate financial measurement
- expenditure is charged to the income and expenditure account on an accruals basis. Where expenditure relates to more than one classification within the statement of financial activities, it is attributed on the basis of staff time spent on the relevant activity.
- expenditure with the main purpose of attracting new committed supporters is allocated between campaigning expenditure and the cost of generating voluntary income
- where other expenditure relates to more than one classification within the statement of financial activities, it is attributed on the basis of staff time spent on the relevant activity
- grant expenditure in furtherance of the charity's objects is recognised as expenditure when confirmation of an award is made to the receiving organisation
- governance costs include those incurred in governance of its assets and are primarily associated with constitutional and statutory requirements
- rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the lease duration.

Fixed assets

Fixed assets are recorded at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of fixed assets on a straight-line basis over their estimated useful lives as follows:

Leasehold buildings	2 per cent per annum
Plant and machinery	5 per cent per annum
Computer infrastructure	20 per cent per annum
Computer equipment	33 per cent per annum
Office equipment	20 per cent per annum
Office furniture	10 per cent per annum
Leasehold improvements	10 to 20 per cent per annum

Investments

Investments are included at market value at the year-end. Gains and losses on revaluation of investments are included in the statement of financial activities.

Pensions

Amnesty International United Kingdom Section operates a defined contribution pension scheme. Contributions are charged to the income and expenditure account in the year to which they relate.

Indemnity insurance

Amnesty International (UK Section) Charitable Trust has arranged Directors and Officers Liability Insurance at an annual premium of £2k (9 month period to December 2010 £2k)

Funds

Funds are distinguished between restricted, designated and unrestricted funds. Income, expenditure, assets and liabilities for each classification of funds are accounted for separately. Further details are shown in the statement of financial activities for the year to 31 December 2011.

3. GENERATION OF VOLUNTARY INCOME

	Unrestricted	Restricted	Total	Total
	Dec-11	Dec-11	Dec-11	9 mths
	£000s	£000s	£000s	Dec-10
				£000s
Voluntary Income				
Subscriptions and donations from supporters and members	16,205	249	16,454	12,375
Legacies	2,635	-	2,635	1,553
Gift Aid	1,366	-	1,366	1,169
Grants received (see note 3.1)	-	189	189	278
	20,206	438	20,644	15,375
Costs of generating voluntary income				
Investment in supporter recruitment	3,386	-	3,386	1,848
Supporter care	805	-	805	537
General fundraising	1,461	-	1,461	819
Gift Aid	27	-	27	-
Legacies	164	-	164	33
	5,843	-	5,843	3,237
Net voluntary income generated	14,363	438	14,801	12,138

The investment in recruiting new supporters not only results in future income streams but also increases the number of human rights activists campaigning on behalf of Amnesty International, giving a direct boost to our campaigning effectiveness.

In addition, our campaigning influence is strengthened significantly by the resulting increase in supporter numbers - the more we speak for, the more we are heard. It is difficult to quantify the relative benefits accruing to income growth and to campaigning effectiveness from this expenditure; the Boards judge that 40 per cent of this expenditure is treated as campaigning and 60 per cent is included above as a cost of generating income.

Included in the costs of generating voluntary income is £1,022k of apportioned support costs. See note 9 – (9 month period to December 2010 £658k).

3.1 ANALYSIS OF RESTRICTED INCOME

The following restricted income was received during the year:

£000s

Donations:

From individuals in support of:	MENA	91
	Security & Human Rights	80
	Sudan	50
	Israel/Occipied Palestine Territories	10
	Burma Country work	6
	Burma Relief Fund	6
	Individuals at Risk	4
	Amnesty Events	2
		<hr/>
		249

Grants:

Diana Memorial Fund	Refugees / Still Human Still Here	82
David and Elaine Potter Trust	Arms Trade Treaty	50
Persula Foundation	Art for Amnesty	25
The Serve all Trust	Arms Trade Treaty	10
City Parochial Foundation	Refugees / Still Human Still Here	5
The Evan Cornish Foundation	Individuals at Risk	5
Mr J Kemp	Security & Human Rights	3
Celtic Charity Fund	Lift-off project	2
The Sutasoma Trust	Individuals at Risk	2
Oakdale Charitable Trust	Arms Trade Treaty	1
SMB Charitable Trust	MENA	1
Leach Fourteenth Charitable Trust	Forced Evictions	1
G & H Roberts Community Trust	Human Rights Education	1
The Philharmonic Trust	Individuals at Risk	1
		<hr/>
		189

Total restricted funds

438

The Boards would like to express their gratitude to those funders for their generous grants.

4. ACTIVITIES FOR GENERATING FUNDS

	Income	Expenditure	Net funds generated	Income	Expenditure	Net funds generated
	Dec-11	Dec-11	Dec-11	9 mths Dec-10	9 mths Dec-10	9 mths Dec-10
	£000s	£000s	£000s	£000s	£000s	£000s
Shops	454	519	(65)	338	325	13
Sales	135	137	(2)	131	92	39
Corporate Relationships	302	1	301	275	10	265
Royalties	13	11	2	4	5	(1)
Community fundraising	770	390	380	533	263	270
Events	25	783	(758)	26	81	(55)
Appeals	750	300	450	443	212	231
Raffles	311	125	186	362	141	221
	2,760	2,266	494	2,112	1,129	983

Included in the costs of activities for generating funds is £433k of apportioned support costs. See note 9 (9 month period to December 2010: £241k). Many events are carried out primarily to raise public awareness of Amnesty and its activities, with income generation often being a by-product. We are aware that these events make a significant contribution to the furtherance of our fundraising programmes and bring lasting financial benefits.

Amnesty Freestyle Limited, the wholly owned subsidiary of Amnesty UK Section Limited, organised a Secret Policemans' Ball music and comedy hosted by Amnesty USA at Radio City Hall in New York on 4th March 2012. The event celebrated Amnesty's human rights work over the last fifty years with a focus on the importance of freedom of expression. As well as raising direct revenue for the organisation from the event, it will also increase Amnesty's public profile in the UK and the US, increase membership and increase future potential for major donor and individual fundraising. We expect the financial outcome to be resolved by June 2012 when the revenues from a variety of commercial deals will be finalised and received. At the date of this report we cannot be certain of this potential shortfall and therefore the directors consider it prudent to make a provision for these expenses in the 2011 financial year.

5. INCOME IN PURSUIT OF OBJECTIVES

	Dec-11 £000s	9 mths Dec-10 £000s
Income from human rights publications and campaigning materials	253	200

6. INVESTMENT INCOME

	Dec-11 £000s	9 mths Dec-10 £000s
Interest receivable on bank deposits	38	35
Other income	-	30
Total investment and other income	38	65

7. EXPENDITURE IN PURSUIT OF OBJECTIVES

	Dec-11 Unrestricted £000s	Dec-11 Restricted £000s	Dec-11 Total £000s	9 mths Dec-10 Total £000s
Human Rights Campaigning				
Production and distribution of human rights publications and campaigning materials	1,776	-	1,776	1,165
Campaigns and activism support	1,378	-	1,378	1,091
Human rights education	769	1	770	595
Media	688	-	688	512
Policy	588	-	588	479
Nations and regions	537	38	575	444
Individuals at risk	441	31	472	329
Amnesty in the community	258	1	259	186
Arts for amnesty	246	77	323	139
Grants to AIEU Section	245	-	245	176
Dignity	216	1	217	129
Youth activism	173	-	173	130
Refugees & asylum	170	97	267	198
Control arms	125	-	125	73
Corporate social responsibility	120	-	120	104
Lesbian, gay, bisexual, transexual	98	-	98	56
Country campaigning	94	208	302	165
Security & human rights	62	3	65	23
Death penalty	51	-	51	21
Women's human rights	73	-	73	-
Stop Violence Against Women	-	-	-	135
Total human rights campaigning	8,108	457	8,565	6,150
Research into and relief of human rights violations				
Grant to Amnesty International Charity Limited	6,684	-	6,684	5,119
Grant to Amnesty International Limited	300	-	300	-
Total research: human rights violations	6,984	-	6,984	5,119
Investment in activist recruitment				
Investment in activist recruitment	2,030	-	2,030	1,069
Support costs apportioned (see note 9)	228	-	228	159
Total investment in activist recruitment	2,258	-	2,258	1,228
Total expenditure in pursuit of objectives	17,350	457	17,807	12,497

Included in the cost of human rights campaigning is £2,915k of apportioned support costs. See note 9 – (9 month period to December 2010: £2,138k).

A full discussion of all AIUK's activities appears in the Directors' report on pages 6 to 13.

8. GOVERNANCE COSTS

	Dec-11 £000s	9 mths Dec-10 £000s
Members' annual general meeting and national conference	220	170
International council meeting (biennial meeting of global movement)	20	2
Other direct governance costs	244	163
Total governance cost	484	335

None of the Directors received remuneration during the year. The total of expenses reimbursed to Directors was £9,506, including £3,543 paid to the Chair. All expenses related to travel, accommodation and subsistence costs incurred in relation to attendance at Board meetings, other governance meetings and Amnesty events. Our governance costs often fluctuate due to the timing of our biennial council meetings; there was one major international council meeting in the current year but none in the previous period. Included in governance costs is £86k of apportioned support costs. See note 9 – (9 months to December 2010 £30k).

9. SUPPORT COSTS

	Dec-11 £000s	9 mths Dec-10 £000s
Staff costs (including agency costs)	1,545	1,033
Staff and volunteer training and welfare	308	232
Premises costs	926	597
Irrecoverable VAT	613	279
Interest payable on mortgage loan	138	149
Depreciation	420	327
Other support costs	734	609
Total support costs	4,684	3,226

Apportionment of support costs

	Dec-11 £000s	9 mths Dec-10 £000s
Cost of generating voluntary income	1,022	658
Activities for generating funds	433	241
Human rights campaigning	2,915	2,138
Investment in activist recruitment	228	159
Governance	86	30
Total support costs apportioned	4,684	3,226

Staff costs covers employees in finance, information technology, human resources and facilities management. The mortgage loan is secured on the Human Rights Action Centre. Further details of the mortgage loan appear in note 14. Support costs are apportioned across the organisation's activities. Apportionment is based on staff time spent on the organisation's activities.

10. STAFF COSTS

	Dec-11 £000s	9 mths Dec-10 £000s
Wages and salaries	6,756	4,562
Social security costs	737	482
Pension costs	401	266
	7,894	5,310

Amnesty International United Kingdom Section operates a defined contribution pension scheme.

The number and cost of full-time equivalent staff engaged on the organisation's various activities was as follows:

	Full-time equivalents	Cost £
Cost of generating voluntary income	37	1,586
Activities for generating funds	13	500
Human rights campaigning	93	4,172
Support	34	1,589
Governance	2	47
Total	179	7,894

There were 230 staff employed including part-time and job-share posts. This number also includes those who joined and left during the year. Overall, this is the equivalent of 179 full-time posts.

Salary band £000s	Dec-11 numbers	9 mths Dec-10 numbers
0 - 10	27	22
10 - 20	41	47
20 - 30	42	47
30 - 40	64	60
40 - 50	39	26
50 - 60	13	10
60 - 70	3	3
90 - 100	1	1
	230	216

The December 2010 numbers reflect a nine-month accounting period and we have uplifted the numbers in each salary band to allow a proper comparison with the current twelve-month period.

The contracts of the Senior Management Team (SMT) stipulate standard hours of 35 hours per week, but that they may on occasion be required to work beyond that to fulfil the duties of the job. They are not entitled to overtime payment. The nature of AIUK's work, and in particular its governance requirements means that the SMT may be required to work at weekends. In these circumstances the SMT are eligible to take time off in lieu. There are organisational policies on the amount of such time that may be accumulated and time limits for when this time off in lieu must be taken before it expires. The SMT are not entitled to be paid for this time. The ratio comparing the highest to lowest paid member of staff is 4.2 to 1.

11. TAXATION

	Dec-11	9 mths
	£000s	Dec-10
		£000s
Taxation on profit on ordinary activities		
Total current tax	-	-
Deferred tax		
Movement in deferred tax provision	-	-
Taxation on profit on ordinary activities	-	-
Reconciliation		
	Dec-11	9 mths
	£000s	Dec-10
		£000s
(Loss)/profit on ordinary activities before tax	(2,705)	550
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 26% (last period 28%)	(703)	154
Net non-taxable income	611	(181)
Depreciation on non qualifying expenditure	104	80
Capital allowances in excess of depreciation	5	4
Decrease in losses	(17)	(57)
Current tax charge for period	-	-
The year end unprovided deferred tax asset comprises		
	Dec-11	Dec-10
	£000s	£000s
Capital allowances	(55)	(45)
Losses	(458)	(628)
Provisions and accruals	-	(13)
	(513)	(686)

12. FIXED ASSETS**Tangible Fixed Assets**

	Freehold land and buildings £000s	Plant & Machinery £000s	Computer equipment/ infrastructure £000s	Office Equipment £000s	Leasehold Improvements £000s	Total £000s
Cost						
at 1 Jan 2011	9,824	1,691	760	699	18	12,992
Additions	-	-	62	50	-	112
Disposals	(93)	-	-	-	-	(93)
at 31 Dec 2011	9,731	1,691	822	749	18	13,011
Depreciation						
at 1 Jan 2011	831	498	502	382	11	2,224
Charge for the year	125	85	127	82	2	421
Disposals	(93)	-	-	-	-	(93)
at 31 Dec 2011	863	583	629	464	13	2,552
Net book value						
at 31 Dec 2011	8,868	1,108	193	285	5	10,459
at 31 Dec 2010	8,993	1,193	258	317	7	10,768

Freehold land and buildings

The land and building asset is the freehold of the Human Rights Action Centre in New Inn Yard, London.

The cost of the asset shown above includes the purchase price and associated expenses together with capitalised costs incurred in beginning the refurbishment works before the tenant took over the responsibility for the works. The cost of the land included above is £3,500,000.

Investments

	Dec-11 Total £000s	9 mths Dec-10 Total £000s
Opening market value at 1 Jan 11 & 1 Apr 10	220	224
Matured during the year	(193)	-
Unrealised gain/(loss) for the year	4	(4)
Closing market value at 31 Dec 11 & 31 Dec 10	31	220
Historical cost at 31 Dec 11 & 31 Dec 10	17	134

By a declaration of Trust dated September 1999, the Trust was made the beneficiary of a gift from David T K Wong of US \$350k United States Federal Government Zero Coupon Bonds maturing in November 2011 and November 2015. The remaining bonds were valued at £31k at the balance sheet date. After maturity of the bonds, the Trustees are obliged to maintain the capital grant in perpetuity and apply the income of the fund in furtherance of the Trust's charitable objectives.

The Trustees wish to express their gratitude to Mr Wong for this extremely generous donation towards their future work.

13. DEBTORS

	Dec-11	Dec-10
	£000s	£000s
Tax recoverable on gift aid	372	1,165
Accrued legacy income	739	360
Trade debtors	86	113
Other debtors, prepayments and accrued income	571	424
Value Added Tax recoverable	200	98
	1,968	2,160

All amounts are due within 12 months.

14. CREDITORS**Amounts falling due within one year**

	Dec-11	Dec-10
	£000s	£000s
Trade creditors	166	628
Mortgage loan	128	165
Accruals and deferred income	234	213
Payroll taxes and other creditors	263	227
	791	1,233

Amounts falling due after more than one year

	Dec-11	Dec-10
	£000s	£000s
Mortgage loan	2,358	3,389

The loan was for an initial term of 10 years, with repayments scheduled over 20 years, until 1 November 2025. The interest rate on the loan was re-fixed at 4.875% from November 2010 to November 2015 in relation to £2.6 million of the outstanding debt. Interest on the balance of the loan was charged at a variable interest rate of 1.75% until 12th May 2011 when this amount totalling £930,746 was repaid in full. The loan is secured on the freehold of the Human Rights Action Centre (see note 12).

15. RESTRICTED FUNDS

Endowment fund	Total £000s
Opening market value at 1 January 2011	220
Unrealised gain for the year	4
Closing market value at 31 December 2011	224
Represented by:	
Fixed Assets	31
Cash at Bank	193
	224

The endowment fund represents cash and bonds (stated at market value). The bonds must be held until the maturity date in November 2015 (see note 14).

Restricted grants	Total £000s
At 1 January 2011	365
Income (see note 3.1)	438
Expenditure (see note 7)	(457)
At 31 December 2011	346

Represented by:	
Refugees - Still Human Still Here	98
Terror Security and Human Rights	80
Arms Trade Treaty	61
Sudan	50
Middle East and North Africa	50
Burma relief	6
Individuals at risk	1
Cash at bank	346

16. UNRESTRICTED FUNDS

	Fixed Asset reserve £000s	Crisis Response reserve £000s	Total Designated Funds £000s	Total Undesignated Funds £000s	Total Unrestricted Funds £000s
At 1 January 2011	-	50	50	15,932	15,982
Utilised during year	-	(75)	(75)	(2,611)	(2,686)
Movement between reserves	8,101	25	8,126	(8,126)	-
At 31 December 2011	8,101	-	8,101	5,195	13,296

Represented by:					
Fixed assets	10,459	-	10,459	-	10,459
Cash at bank	-	-	-	4,018	4,018
Net current assets	-	-	-	1,177	1,177
Long term liabilities	(2,358)	-	(2,358)	-	(2,358)
	8,101	-	8,101	5,195	13,296

Crisis response

We spent £75k on Crisis Response work during the year. In future we will fund this work directly from our campaign and campaign contingency budgets in the relevant year.

Fixed Asset reserve

The fixed asset reserve comprises funds invested in fixed assets (also see note 12) that allows Amnesty to carry out its work effectively. As this reserve comprises fixed assets, it is not possible to utilise them elsewhere within the organisation.

The reserve was created during 2011 and the comparative figure for the period to December 2010 has been amended accordingly on the balance sheet.

17. NOTES TO CASH FLOW STATEMENT**Reconciliation of operating (deficit)/surplus to net cash (outflow)/inflow from operating activities**

	Dec-11	9 mths
	£000s	Dec-10
		£000s
(Deficit)/surplus before taxation	(2,705)	554
Depreciation	421	327
Loss on disposal of fixed assets	-	5
Interest received	(38)	(35)
Interest paid	138	149
Decrease/(increase) in debtors	192	(797)
Decrease in creditors	(442)	(129)
Net cash (outflow)/inflow from operating activities	(2,434)	74

Reconciliation of net cash flow to movement in net funds

	Dec-11	9 mths
	£000s	Dec-10
		£000s
Decrease in cash	(3,484)	(214)
Cash inflow from changes in net debt	1,031	330
Movement in net cash	(2,453)	116
Opening net funds	4,652	4,536
Closing net funds	2,199	4,652

Analysis of net funds

	At	Cash	At
	1 Jan 2011	flows	31 Dec 2011
	£000s	£000s	£000s
Cash in hand and at bank	8,041	(3,484)	4,557
Debt due after one year	(3,389)	1,031	(2,358)
	4,652	(2,453)	2,199

18. COMMITMENTS UNDER OPERATING LEASES**Operating leases which expire**

	Dec-11	9 mths
	£000s	Dec-10
		£000s
Within one year	45	43
In two to five years	141	107
	186	150

Analysed between

Hire of plant and machinery	38	29
Other operating leases	148	121
	186	150

