



Amnesty International
(UK Section)
Charitable Trust

**TRUSTEES'
REPORT AND
FINANCIAL
STATEMENTS**

for the year ended 31 December 2011

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(UK Section)
Charitable Trust

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for the year ended 31 December 2011

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TRUSTEES' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2011

Full name and registered address of the charity

Amnesty International (UK Section) Charitable Trust
The Human Rights Action Centre
17-25 New Inn Yard
London EC2A 3EA

Status of the charity

The charity was incorporated on 16 December 1995 as a company limited by guarantee and is governed by its Memorandum and Articles of Association. It took over at that date all the assets and liabilities of the Amnesty International British Section Charitable Trust.

Charity registration number – England & Wales

1051681

Charity registration number – Scotland

SC039534

Company registration number

03139939

Company secretary and charity correspondent

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

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
(aka Pepper Harow)		

Chief executive and senior staff

Kate Allen	chief executive
Tim Hancock	director of campaigns
Martin Tyler	director of corporate services
Kerry Moscogiuri	director of marketing

Bankers

Co-operative Bank plc
9 Prescot 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

TRUSTEES' REPORT

Objectives and activities

1. KEY OBJECTIVES AND STATEMENT OF BENEFITS

A key objective of the Trustees is to maximise the long-term funds available for grant making activities. Donations from individual supporters have traditionally been between 60 to 70 per cent of our income so maintaining effective recruitment methods is crucial in support of this objective.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing their objectives and in planning future activities. In particular, the Trustees 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, provides benefits to all of humankind.

2. KEY ACTIVITIES

The Trustees understand the importance of the Amnesty International 'brand' in securing the Trust's income, mainly from contributions from individual supporters, whose donations are solicited on the basis of the impact they will have on Amnesty International's worldwide promotion of human rights.

The Trustees therefore allocate the significant majority of the Trust's resources available for charitable purposes to Amnesty's international research. The Trustees were also able to utilise the wider objects of the Trust formally approved by the Charity Commission in 2005, to grant aid charitable activity carried out by Amnesty International United Kingdom Section (the "UK Section"). Small grants are also given to a number of organisations whose work is well known to the Trustees and which will complement the work of the Trust in areas outside the Trust's capabilities.

3. ACHIEVEMENTS AND PERFORMANCE

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 perpetrators are brought to justice and 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 individual 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 highlighted 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 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. Another area of priority for next year will be the development of policies outlining Amnesty's commitment to assessing and learning from the impact of its work. These policies should be consistent globally and should include aspects related to accountability and learning such as levels of transparency around the publication of successes and lessons learnt.

A full account of the work undertaken world-wide by Amnesty International can be found on:

<http://www.amnesty.org/>

Recruiting and retaining Amnesty supporters

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.

Financial review

REVIEW OF THE YEAR

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005 in preparing the annual report and financial statements of the charity. The financial statements also comply with the charity's governing documents.

Our total income was almost identical to the prior nine-month accounting period on a pro-rata basis. Within the overall figure there were variations of performance on our income sources. Legacy income performed well and was almost £600,000 ahead compared to the previous period, and we also improved income from our supporter appeals. Other income lines suffered in the face of the economic headwinds, although we are very grateful that donations from individual supporters remained at previous levels.

For some years our strategy has been to try to reverse the decline in the number of Trust supporters by investing our surplus reserves in supporter recruitment. As discussed earlier, this strategy is based on our desire to increase our support for the worldwide Amnesty movement.

In our last report we reflected on the difficulties in reaching our recruitment targets as the agencies we planned to use either ceased or consolidated their operations. We have also encountered problems with a prolonged economic downturn and our achievements also have to be viewed, in hindsight, on what were ambitious targets. Nevertheless we were able to recruit 13,945 supporters; a much improved performance on the previous financial period, although somewhat short of our target. We also succeeded in increasing our supporter base, taking into account those supporters who left us during the year, by almost 6,000 supporters. Much of the recruitment was undertaken in the second half of the year and the income benefits will therefore accrue in future years. Our expenditures were broadly in line with expectations except for a large underspend of almost £1.2m in the cost of recruiting new supporters discussed above. In view of the planned additional expenditures on recruitment, and a decision to repay £930,000 of mortgage debt, the UK Section of Amnesty did not anticipate any grant funding during 2011 and no application was submitted. We have scaled back our recruitment targets for 2012 and will review availability of potential support for human rights campaigning work in the middle of 2012 as well as maintaining our level of support to the international movement.

FINANCIAL INDEPENDENCE

Amnesty International is independent of any government, political ideology, economic interest or religion. We do not support or oppose any government or political system, nor do we necessarily support the views of the victims whose rights we seek 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 our promotion of human rights and research into human rights abuses.

CORPORATE RELATIONS

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

Statement on risk and reserves

1. OVERVIEW

The Trustees are aware of the need to assess the risks faced by the organisation and respond in such a way as to manage those risks appropriately. In particular, the Trustees have 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.

2. MAJOR RISKS AND UNCERTAINTIES

The Trustees consider the following to be the major risks and uncertainties facing the charity:

i) Regulatory compliance

The ability of the 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) Political attack

It is possible that the Amnesty International movement could become subject to a political attack which then impacted on the Trust. This could include an attack driven by a particular political motive or media agenda. The Trustees consider that an attack on any part of the global Amnesty movement could have major implications for the ability of the Trust 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.

As a grant making organisation we rely on strategies that are undertaken by the Amnesty movement worldwide. These would include to:

- build and strengthen Amnesty as a democratic movement, that also engages effectively with the general public in the UK
- be open and transparent
- be independent of, but develop constructive relationships with a broad range of political parties
- develop relationships with and earn the respect of the media.

iii) Supporter retention

Regular donations, and related gift aid, from individual supporters currently makes up 74 per cent of the Trust's total voluntary income. The Trustees 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 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 Trustees
- input into Trustee 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 Trustees take a risk-based approach to reserves; therefore the 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 £1.4 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 £1.5 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.

DEFICIT OF RESERVES BELOW REQUIREMENT

Free reserves are slightly below target at 31 December 2011 by £0.1 million. We will aim to be as close to target as we can by the end of 2012.

Treasury policy

The Trustees' 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 Trustees are aware that the investment vehicle may present a compromise (or a perception of one by its supporters) to the charity's commitment to human rights.

Structure, governance and management

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 of two companies – Amnesty International Limited and Amnesty International Charity Limited.

Amnesty International (UK Section) Charitable Trust is part of the worldwide Amnesty International movement.

The name and logo are registered in the name of Amnesty International Limited and the Trust has a licence to use the name and logo in the United Kingdom.

There are two main Amnesty legal entities in the United Kingdom:

Amnesty International United Kingdom 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.

Amnesty International (UK Section) Charitable 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 organisations as they believe there may be changes that could be made that would increase the ability of Amnesty to receive the tax benefits that other UK charities receive.

GOVERNANCE AND MANAGEMENT

Amnesty International (UK Section) Charitable 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 the UK Section; some of the Trustees are normally serving members of their Board. 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.

The Trustees are generally very familiar with human rights and the work of Amnesty International. Induction training is provided for new Trustees, and the Trustees 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 Trust to a Finance Sub-Committee, which comprises some Trustees, Board and ordinary members of the UK Section, and which also acts as the Finance Sub-Committee of the UK Section. Day to day operations are carried out by staff of the UK Section and an appropriate portion of their salary costs is borne by the Charity. All the Trustees and members of the Finance Sub-Committee give their time voluntarily and receive no benefits.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity, 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TRUSTEES' REPORT

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Auditors

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

Thank You

The donors to the charity are warmly thanked for their continuing commitment to the aims of the charity and, without question, for their exceptional generosity.

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

3 May 2012

A handwritten signature in black ink, appearing to read 'D Norgrove', written in a cursive style.

David Norgrove, Chair of Trustees

REPORT OF THE INDEPENDENT AUDITORS OF AMNESTY INTERNATIONAL (UK SECTION) CHARITABLE TRUST

To the members of Amnesty International (UK Section) Charitable Trust

We have audited the financial statements of Amnesty international (UK Section) Charitable Trust for the year ended 31 December 2011 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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).

This report is made solely to the charity's trustees and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's trustees and members 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 charity and the charity's trustees and members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement (set out on pages 9 and 10), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

OPINION ON OTHER MATTER 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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Don Bawtree, Senior Statutory Auditor
for and on behalf of BDO LLP, Statutory Auditor
Epsom
United Kingdom

Date: 22 May 2012

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2011

		Unrestricted Funds	Restricted Funds	Endowment Fund	Total	Total
	Note	Dec-11 £000s	Dec-11 £000s	Dec-11 £000s	Dec-11 £000s	9 mths Dec-10 £000s
Incoming resources from generated funds						
Voluntary income						
Donations from individual supporters	3	6,430	249		6,679	5,042
Legacies	3	2,635	-		2,635	1,553
Gift Aid	3	1,366	-		1,366	1,169
Grants	4	-	189		189	278
Total voluntary income		10,431	438		10,869	8,042
Activities for generating funds	5	1,698	-		1,698	1,347
Investment and other income	6	207	-		207	177
Total incoming resources		12,336	438	-	12,774	9,566
Expenditure on charitable purposes						
Cost of generating voluntary income	3	2,908	-		2,908	1,427
Activities for generating funds	5	660	-		660	515
Total cost of generating funds		3,568	-		3,568	1,942
Expenditure in pursuit of objectives						
Promotion of human rights	7	1,003	398		1,401	2,533
Research: human rights violations	7	6,684	-		6,684	5,119
Investment in activist recruitment	7	1,271	-		1,271	581
Total expenditure on charitable purposes		8,958	398		9,356	8,233
Governance costs	9	29	-		29	22
Total resources expended		12,555	398	-	12,953	10,197
Net (outgoing)/incoming resources before revaluations		(219)	40	-	(179)	(631)
Unrealised gain/ (loss) on revaluation of investment	14	-	-	4	4	(4)
Net movement on funds		(219)	40	4	(175)	(635)
Total funds brought forward		4,181	291	220	4,692	5,327
Total funds carried forward		3,962	331	224	4,517	4,692

All amounts relate to continuing activities. The notes on pages 15 to 23 form part of these financial statements.

BALANCE SHEET

at 31 December 2011

	Note	Dec-11 £000s	Dec-11 £000s	Dec-10 £000s	Dec-10 £000s
Fixed assets					
Tangible fixed assets	13	4,874		4,906	
Investments	14	<u>31</u>		<u>220</u>	
			4,905		5,126
Current assets					
Debtors	15	1,251		1,531	
Cash at bank and in hand		<u>1,018</u>		<u>1,988</u>	
		2,269		3,519	
Creditors: amounts falling due within one year	16	<u>(299)</u>		<u>(564)</u>	
Net current assets			1,970		2,955
Creditors: amounts falling due after more than one year	17		(2,358)		(3,389)
Total net assets			<u>4,517</u>		<u>4,692</u>
Funds					
Unrestricted					
Undesignated	18		1,446		2,664
Designated	18		2,516		1,517
Restricted	18		331		291
Endowment	18		224		220
			<u>4,517</u>		<u>4,692</u>

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

3 May 2012



David Norgrove, Chair



Brian Landers, Treasurer

The notes on pages 15 to 23 form part of these financial statements.

CASH FLOW STATEMENT

for the year ended 31 December 2011

	Note	Dec-11 £000s	Dec-11 £000s	9 mths Dec-10 £000s	9 mths Dec-10 £000s
Net cash outflow from operating activities	19		(1)		(990)
Returns on investment and servicing of finance					
Interest received	6	7		21	
Interest paid	10	(138)		(149)	
Net cash outflow from return on investments and servicing of finance			(131)		(128)
Capital expenditure and financial investment					
Maturing fixed asset investments			193		-
Financing					
Decrease in long-term debt			(1,031)		(165)
Decrease in cash	19		(970)		(1,283)

The notes on pages 15 to 23 form part of these financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

1. ACCOUNTING POLICIES

Basis of accounting

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

Income and expenditure

- income from appeals and charitable donations 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
- grant income is recognised when the conditions for receipt have been complied with
- expenditure is charged to the Statement of Financial Activities on an accruals basis
- 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
- irrecoverable VAT is treated in the same way as support costs and apportioned across the organisation's activities.

Fixed assets – freehold land and buildings

Freehold buildings are included at cost and are depreciated over 50 years on a straight-line basis from the point at which they are brought into use. Freehold land is included at cost and is not depreciated.

Pensions

Staff working for the charity are eligible to join a defined contribution pension scheme operated by the UK Section. Contributions are accounted for in the year to which they relate.

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.

Indemnity insurance

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

Funds

Funds are distinguished between restricted, endowment and unrestricted funds. Income, expenditure, assets and liabilities for each classification of funds are accounted for separately.

2. TAXATION

The Trust is a registered Charity and as such is entitled to the exemptions under the Income and Corporation Taxes Act 1988.

3. GENERATION OF VOLUNTARY INCOME

	Unrestricted	Restricted	Total	Total 9 mths
	Dec-11 £000s	Dec-11 £000s	Dec-11 £000s	Dec-10 £000s
Voluntary Income				
Donations from individual supporters	6,430	249	6,679	5,042
Legacies	2,635	-	2,635	1,553
Gift Aid	1,366	-	1,366	1,169
Grants received (see note 4)	-	189	189	278
	10,431	438	10,869	8,042
Costs of generating voluntary income				
Investment in supporter recruitment	1,907	-	1,907	877
Supporter care	207	-	207	150
General fundraising	603	-	603	367
Gift Aid	27	-	27	-
Legacies	164	-	164	33
	2,908	-	2,908	1,427
Net voluntary income generated	7,523	438	7,961	6,615

At 31 December 2011, in addition to legacy income that has been included in the accounts, the Trust expects to benefit from a number of legacies from estates for which the administration has yet to be finalised.

Included in the cost of generating voluntary income is £426k of apportioned support costs. See note 8 (9 months to December 2010: £270k)

The Trust's financial health is due in no small part to a large number of committed supporters who make regular monthly donations. The Trust continues to use agencies to recruit new supporters committed to a monthly giving plan. This strategy of investing in future income streams carries significant initial costs included in the analysis above. The returns on investment are enjoyed for the entire length of the supporter's relationship with the Trust.

This 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 its campaigning effectiveness. In addition, campaigning influence is strengthened significantly by the resulting increase in supporter numbers - the more we speak for, the more we are heard. Much of the extra impact on campaigning effectiveness and activism manifests in a related entity, Amnesty International United Kingdom Section. It is difficult to quantify the relative benefits accruing to income growth and to campaigning effectiveness from this expenditure; the Trustees 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.

4. GRANTS RECEIVED

The following restricted funds were received during the year:

		£000s
Donations:		
From individuals in support of:	Middle East and North Africa (MENA)	91
	Security & Human Rights	80
	Sudan	50
	Israel/OPT	10
	Burma	6
	Burma Relief Fund	6
	Individuals at Risk	4
	Amnesty event	2
		<u>249</u>
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
		<u>189</u>
Total restricted funds		<u>438</u>

The Trustees would like to express their gratitude to these funders for their generous grants to help fund the work of the charity.

5. ACTIVITIES FOR GENERATING FUNDS

	Income	Expenditure	Net funds generated	Income	Expenditure	Net funds generated
	Dec-11 £000s	Dec-11 £000s	Dec-11 £000s	9 mths Dec-10 £000s	9 mths Dec-10 £000s	9 mths Dec-10 £000s
Corporate relationships	297	1	296	270	13	257
Community fundraising	340	234	106	272	149	123
Appeals	750	300	450	443	212	231
Raffles	311	125	186	362	141	221
	<u>1,698</u>	<u>660</u>	<u>1,038</u>	<u>1,347</u>	<u>515</u>	<u>832</u>

Included in the costs of activities for generating funds is £108k of apportioned support costs. See note 8 - (9 months to December 2010: £60k)

All income from activities for generating funds was unrestricted funds.

6. INVESTMENT AND OTHER INCOME

	Dec-11 £000s	9 mths Dec-10
Interest receivable on bank deposits	7	21
Rental income	200	150
Other income	-	6
Total investment and other income	207	177

The rental income arises under a lease granted to a related entity, Amnesty International United Kingdom Section, to occupy the Human Rights Action Centre.

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	Dec-11 £000s	9 mths Dec-10 £000s
Total unrestricted grants to Amnesty International UK Section to support human rights campaigns	-	1,768
Restricted grants to Amnesty Section to support human rights		
Art for Amnesty		
Persula Foundation	75	-
Burma		
Burma Radio Appeal	81	-
The Co-operative Group (C W S) Ltd	25	-
Anonymous	5	-
Burma Campaign (Individuals)	1	-
Millward and Family Charitable Trust	1	-
Millhouses Charitable Trust	1	-
i-D Magazine (Levelprint Ltd)	1	-
Henry C Hoare Charitable Trust	-	1
Dignity (Stop Violence Against Women)		
CB and HH Taylor Trust	1	-
Tolkien Trust	-	20
Human Rights Education		
G H Roberts Community Trust	1	-
Individuals at Risk		
Balcombe Trust	20	-
Evan Cornish Foundation	5	-
Anonymous	2	-
The Sutasoma Trust	2	-
Anonymous	1	-
Anonymous	1	-
The Philharmonic Trust	1	-
Eva Reckitt Trust Fund	-	1
City of London Solicitors Charitable Fund	-	1
Israel/Occupied Palestinian Territories		
Anonymous	5	-
Anonymous	5	-
Castleforth Charitable Trust	1	-
Lift-Off Project		
William A Cadbury Charitable Trust	9	-
Celtic Charity fund	2	-
Department of Education Northern Ireland	-	18
MENA		
Anonymous	21	-
Anonymous	10	-
Anonymous	10	-
SMB Charitable Trust	1	-
Refugees (Still Human Still Here)		
Rowan Trust	50	-
Diana Princess of Wales Memorial Fund	41	45
City Parochial - London Trust	15	5
JP Getty Junior Charitable Fund	-	30
Terror Security & Human Rights		
Anonymous	3	-
Trade Union programme		
Amicus Foundation	1	-
Total restricted grants to Amnesty International UK Section to support human rights campaigns c/f	398	121

7. EXPENDITURE ON CHARITABLE ACTIVITIES – CONTINUED

	Dec-11 £000s	9 mths Dec-10 £000s
Total restricted grants to Amnesty International UK Section to support human rights campaigns b/f	398	121
Production and distribution of human rights publications	637	402
Support costs apportioned (see note 8)	366	242
Total expenditure on promotion of human rights	<u>1,401</u>	<u>2,533</u>
Research into and relief of human rights violations		
Grant to Amnesty International Charity Limited	6,674	5,119
Relief to victims of human rights violations	10	-
Total research into and relief of human rights violations	<u>6,684</u>	<u>5,119</u>
Investment in activist recruitment		
Investment in activist recruitment	1,191	528
Support costs apportioned (see note 8)	80	53
Investment in activist recruitment	<u>1,271</u>	<u>581</u>
Total expenditure on charitable activities	<u>9,356</u>	<u>8,233</u>

8. SUPPORT COSTS

Staff costs cover employees in finance, information technology, human resources and facilities management.

Apportionment of support costs

	Dec-11 £000s	9 mths Dec-10 £000s
Staff costs	284	198
Irrecoverable Value Added Tax	476	211
Interest payable (see note 10)	138	149
Depreciation	32	24
Other support costs	57	46
Total support costs	<u>987</u>	<u>628</u>

These support costs are apportioned across the organisation's activities based on staff time spent.

	Dec-11 £000s	9 mths Dec-10 £000s
Cost of generating voluntary income	426	270
Activities for generating funds	108	60
Human rights campaigning	366	242
Investment in activist recruitment	80	53
Governance	7	3
Total support costs apportioned	<u>987</u>	<u>628</u>

9. GOVERNANCE COSTS

	Dec-11 £000s	9 mths Dec-10 £000s
Audit fee	17	15
Other direct governance costs	12	7
Total governance costs	29	22

Included in governance costs is £7k of apportioned support costs. See note 8 - (9 months December 2010 £3k)

10. INTEREST PAYABLE

	Dec-11 £000s	9 mths Dec-10 £000s
Interest payable on mortgage loan	138	149

The mortgage loan is secured on the Human Rights Action Centre. Further details of the mortgage loan appear in note 17.

11. STAFF COSTS

There were 123 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 35 full-time posts.

	Dec-11 £000s	9 mths Dec-10 £000s
Wages and salaries	1,235	790
Social security costs	134	83
Pension costs	70	45
Total	1,439	918

	Full-time staff numbers	Cost £000s
Generating voluntary income	15	594
Activities for generating funds	3	97
Promotion of human rights	11	458
Support	6	290
Total	35	1,439

Salary band £000s

	Dec-11 numbers	Dec-10 numbers
0 - 10	80	88
10 - 20	24	26
20 - 30	12	6
30 - 40	6	3
40 - 50	1	-
50 - 60	-	1
	123	124

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.

12. DIRECTORS' REMUNERATION

The charity is a company limited by guarantee, so the Directors are also Trustees.

No Trustee received emoluments during the year (9 months December 2010: £nil).

Out of pocket travel expenses were reimbursed to no Trustees (9 months December 2010: no Trustees).

13. TANGIBLE FIXED ASSETS

	Land and buildings £000s
Cost at 1 January 2011 and 31 December 2011	5,094
Depreciation at 1 January 2011	188
Charge of the year	32
Depreciation at 31 December 2011	220
Net book value at 31 December 2011	4,874
Net book value at 31 December 2010	4,906

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

Amnesty International (UK Section) Charitable Trust has granted a 35-year lease to Amnesty International United Kingdom Section, a condition of which is that the tenant had to carry out the programme of refurbishments to the building. The capital costs of these refurbishments are shown in the accounts of that company. Amnesty International United Kingdom Section has granted a licence allowing Amnesty International (UK Section) Charitable Trust to use the building for its own activities. 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 £3.5 million.

14. LISTED INVESTMENTS

	Dec-11 £000s	Dec-10 £000s
Opening market value at 1 January	220	224
Matured during the year	(193)	-
Unrealised gain/(loss) for the year/period	4	(4)
Closing market value at 31 December	31	220
Historical cost at 31 December	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.

15. DEBTORS

	Dec-11 £000s	Dec-10 £000s
Tax recoverable on Gift Aid	371	1,165
Accrued legacy income	739	360
Other accrued income	139	-
Other debtors and prepayments	2	6
	1,251	1,531

16. CREDITORS

	Dec-11 £000s	Dec-10 £000s
Amounts falling due within one year		
Trade creditors	2	268
Mortgage loan	128	165
Amounts due to related entities	110	69
Accrued charges and deferred income	59	62
	299	564

17. CREDITORS**Amounts falling due after more than one year**

	Dec-11 £000s	Dec-10 £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 13).

18. FUNDS

	Undesignated fund £000s	Designated fund £000s	Restricted fund £000s	Endowment fund £000s	Total £000s
At 1 January 2011	4,181	-	291	220	4,692
Total incoming resources	12,336	-	438	-	12,774
Total resources expended	(12,555)	-	(398)	-	(12,953)
Movement between reserves	(2,516)	2,516	-	-	-
Unrealised investment gains	-	-	-	4	4
At 31 December 2011	1,446	2,516	331	224	4,517

Represented by

Land and buildings	-	4,874	-	-	4,874
Investments	-	-	-	31	31
Net current assets	1,446	-	331	193	1,970
Long term liabilities	-	(2,358)	-	-	(2,358)
	1,446	2,516	331	224	4,517

Undesignated fund

The undesignated fund represents the funds that the Trustees are free to use in accordance with the charitable objects.

Designated fund

The designated fund comprises funds invested in fixed assets less the outstanding mortgage thereon (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 charity. The reserve was created during 2011 and the comparative figure for the period to December 2010 has been amended accordingly.

Restricted fund

The restricted fund represents grants received for restricted purposes (analysed below). Further details can be found in notes 4 and 7.

	£000s
Refugees – Still Human Still Here	83
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
	331

Endowment fund

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).

19. NOTES TO CASH FLOW STATEMENT**Reconciliation of net outgoing resources to net cash outflow from operating activities**

	Dec-11 £000s	9 mths Dec-10 £000s
Net outgoing resources before revaluations	(179)	(631)
Depreciation charged	32	24
Interest received	(7)	(21)
Interest paid	138	149
Decrease/(increase) in debtors	280	(646)
(Decrease)/increase in creditors	(265)	135
Net cash outflow from operating activities	(1)	(990)

Reconciliation of net cash outflow to movement in net debt

	Dec-11 £000s	9 mths Dec-10 £000s
Decrease in cash	(970)	(1,283)
Cash outflow from changes in net debt	1,031	165
Movement in net cash	61	(1,118)
Opening net debt	(1,401)	(448)
Closing net debt	(1,340)	(1,566)

Analysis of net debt

	At 1 Jan 2011 £000s	Cash flows £000s	At 31 Dec 2011 £000s
Cash at bank and in hand	1,988	(970)	1,018
Debt due after one year	(3,389)	1,031	(2,358)
Total	(1,401)	61	(1,340)

20. RELATED ENTITY BALANCES AND TRANSACTIONS

The related entities of the charity are Amnesty International United Kingdom Section ("UK Section") and Amnesty Freestyle Limited.

Related entity balances

At 31 December Amnesty International (UK Section) Charitable Trust had the following balances with related entities:

	Dec-11 £000s	Dec-10 £000s
Due to Amnesty International United Kingdom Section	110	69

Related Entity transactions

During the year the following transactions took place with related entities reflecting monies flowing in/ (out) of the charity.

	Dec-11 £000s	9 mths Mar-10 £000s
Restricted grants made to the UK Section for furtherance of charitable objectives	(398)	(121)
Donations received under Gift Aid from the UK Section	50	100
Unrestricted grant to the UK Section to support specific human rights work	-	(1,768)
Charges made by the UK Section for staff costs	(1,439)	(918)
Charges made to the UK Section under the terms of a lease for the occupancy of the Human Rights Action Centre	245	184
Charges made by the UK Section under the terms of a licence to use the Human Rights Action Centre	(45)	(34)
Payments made to the UK Section for Amnesty magazine	(128)	(83)

