

Company No: 03139939

AMNESTY INTERNATIONAL UK SECTION CHARITABLE TRUST

Financial statements for the year ended 31 December 2018

AMNESTY INTERNATIONAL UK SECTION CHARITABLE TRUST
Financial Statements for the year ended 31 December 2018

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Legal and administrative information

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

Charity correspondent

Michelle O'Keefe, The Human Rights Action Centre, 17-25 New Inn Yard, London EC2A 3EA
Tel: 020-7033-1500; e-mail amnestycompany.secretary@amnesty.org.uk

Trustees

Gareth Davies	- Chair	Livia Aliberti ^(A)
Meredith Coombs ^(*,A,B)	- Treasurer	Emma France
Amie Ibrahim Brown		Nicholas Vogelpoel ^(A)
Nicolas Patrick ^(B)		Ruth Breddal ^(*,A,B)
Thomas Hedley ^(*)	- resigned 8 June 2018	Rebecca Warren ^(*,A) - appointed 2 June 2018

* member of the Board of Amnesty International United Kingdom Section
Sub-Committee membership

A - member of the Finance Audit and Risk Sub-Committee
B - member of the Human Resources Sub-Committee

Chief executive and other key management personnel

Kate Allen	Chief Executive
Tim Hancock	Director of Chief Executive's Office
Rosalyn Parker	Director of Corporate Services - resigned 11 December 2018
Kerry Moscogiuri	Director of Supporter Campaigning and Communications
Rosie Chinchon	Director of Fundraising

Bankers Co-operative Bank plc, 9 Prescott Street, London, E1 8BE
Lloyds Bank plc, 25 Gresham Street, London, EC2V 7HN

External auditors BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, RH6 0PA

Solicitors Bates Wells & Braithwaite London LLP, 10 Queen Street Place, London EC4R 1BE

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Trustees' Report for the year ended 31 December 2018

Trustees' Report

1. Overview of our structure in relation to the worldwide Amnesty International movement

Amnesty International is a 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 entities (known as "sections") throughout the world and an International Secretariat which coordinates the worldwide movement and provides support for global governance structures. The International Secretariat ("the IS") consists of two companies – Amnesty International Limited and Amnesty International Charity Limited.

Amnesty International in the United Kingdom is part of the worldwide Amnesty International movement. There are two active legal entities:

Amnesty International United Kingdom Section ("the UK Section") - a company limited by guarantee, a membership organisation whose policies 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. The UK Section has a licence to use the Amnesty name and logo in the United Kingdom.

Amnesty International UK Section Charitable Trust ("the Trust") - a company limited by guarantee and a registered charity. The Trust pursues its charitable objectives by funding a range of activities aimed at promoting the rights set out in the Universal Declaration of Human Rights. This includes funding Amnesty International Limited, and other organisations, to conduct worldwide research into the observance and abuses of human rights. The Trust is a registered charity in both England and Wales, and Scotland, and has a licence to use the Amnesty name and logo in the United Kingdom.

2. Governance and management

The Trust is a registered charity and a company limited by guarantee and is governed by its Trustees (who are the Directors and Members). The Trust is independent of the UK Section, by virtue of the fact that although the Trustees are appointed by the Board of the UK Section, they are appointed as individuals not representatives, cannot be removed by that Board and there is a majority of independent members, who are not Board members of the UK Section.

The Trust is governed by its Articles of Association. 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 an interlude of one year. The Trustees meet at least four 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, which covers their responsibilities and statutory duties. All the Trustees give their time voluntarily and receive no benefits.

To ensure our independence, we do not seek or accept money from governments other than for our human rights education work. During 2018, the Trust received funds from the Department for International Development for a human rights education project focused on female genital mutilation

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and early and forced marriage in Burkina Faso, Sierra Leone and Senegal. This project is expected to continue to 2020. In no way do any monies received influence or affect our impartiality or independence.

The Trustees are assisted in their work by a number of sub-committees, namely:

The **Finance, Audit and Risk Sub-Committee**, a joint committee of the UK Section and the Trust. It deals with areas primarily relating to risk and risk management, the effectiveness of internal controls, stewardship of assets, and financial performance. The sub-committee includes independent members who have specialist skills. It is chaired by the Treasurer.

The **Human Resources Sub-Committee**, a joint committee of the UK Section and the Trust. It actively initiates, helps develop, monitors and evaluates strategic human resources actions and policies that will enhance and embed our reputation as an employer, and enable us to recruit, develop, engage and retain the best staff, volunteers and Board members.

A full list of members of the sub-committees can be found on our website - <https://www.amnesty.org.uk/subcommittees>

In the performance of their duties, the Trustees have regard to the Charity Governance Code for larger charities and relevant components of Amnesty International's own global Core Standards. The Trustees regularly reflect on their governance arrangements. In 2018, the Trustees approved changes to the Articles of Association which, among other things, extend limitations on private benefits to connected persons, clarify delegation powers and replace gendered language with gender-neutral terms.

The agreed revisions to the Articles increase to three years the period when a retiring Director, after reaching their maximum term office, is ineligible for another term of appointment as a Trustee. To support continuing independence from the UK Section, the Articles changes ensure that any Trustee who is also a UK Section Board member must automatically retire from the Trust four months after they cease to be a Director of the UK Section. The agreed changes will become effective in 2019, subject to any necessary approval by the Charity Commission.

Trustees understand the importance of skills development and, in 2018, received training on unconscious bias and safeguarding.

3. Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Strategic Report, the Trustees' 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 in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable 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 incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 are sufficient to show and explain the charity's transactions and 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.

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 charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

All of the current Trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company'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.

4. Policy on pay for employees including senior staff

The Trust operates a pay and reward policy that aims to attract and retain the best talent needed to take forward our ambitious human rights work within the UK. We aim to pay all roles at the median salary level for the sector and ensure that all elements of pay are fair and transparent and easily understood by our employees. We periodically undertake benchmarking exercises using established salary surveys.

During 2018, a pay and grading review was concluded. Over the course of the review, all staff posts were evaluated and benchmarked against not for profit and public sector market rates, and against an all sector index. This information was used to inform the number of grades in a new grading structure and to establish the pay rates which will enable us to recruit and retain the workforce we need to deliver our strategic goals. The review had a financial impact on 2018 which is explained in the financial review of the Strategic Report.

The Trust is a Living Wage accredited employer, meaning all our staff and contractors are paid at least the Living Wage.

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5. Thank you

Volunteers are involved in a lot of different roles across the Trust. The supporters, volunteers and staff of the Trust are warmly thanked for their continuing commitment to the aims of the Trust and for their exceptional generosity.

This report is now approved by the Board and signed on its behalf by:

Gareth Davies, Chair

28 March 2019

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Strategic Report for the year ended 31 December 2018

Strategic Report

1. Key objectives and statement of benefits

All of the Trust's activities focus on delivering human rights benefit both to specific individuals and to the public in general. The Trustees believe that promoting general awareness of human rights, creating cultural support in favour of human rights, campaigning to prevent or end human rights abuses and encouraging supporters to take action, provides universal benefits.

In addition, a key objective of the Trust is to maximise the long-term funds available for grant making activities in support of such human rights benefits.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the objectives they have set.

The Trust's objectives and the activities that flow from them are aligned to those summarised in the Charity Commission's guidance publication RR12 – The Promotion of Human Rights. During 2018, the Trust reviewed and refreshed its understanding of the provisions in its objects clause.

2. Key activities

The Trustees recognise 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 resources available for charitable purposes to the International Secretariat. The Trust also funds activity carried out by the UK Section. All of these activities are in line with the Trust's charitable objectives.

Small grants may also be given to organisations whose work meets the Trust's charitable objectives and complements the work of the Trust in areas outside the Trust's capabilities.

3. Achievements and performance

a) Human Rights Priorities

Through its grants, the Trust supports charitable work falling under the global strategic priorities of the Amnesty International movement and UK strategic priorities agreed with the UK Section.

Global Strategic Goals (2016-2020)

Goal 1: Reclaiming Freedoms

- People defending human rights are safe and supported
- People know their rights and are empowered to claim them
- People can claim their rights to speak out, organise and challenge injustice

Goal 2: Securing equal rights for all

- Discrimination, including violent discrimination is reduced
- Progress is made towards equality based on gender, gender identity and sexuality

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- More people can enjoy their economic, social and cultural rights

Goal 3: Responding to crises

- Civilians are better protected through effective action by national, regional and international institutions and mechanisms
- People affected by conflict, crises, torture, have access to adequate protection and assistance
- Those responsible for human rights abuses are held accountable and victims have access to justice, truth and reparation.

Goal 4: Ensuring accountability

- Regional and global human rights mechanisms are reinforced where national rights protection is failing
- Human rights governance and accountability are strengthened at national level

Goal 5: Maximising our resources and engagement

- Amnesty International is a larger, stronger and more diverse movement with a greater capacity to achieve human rights impact
- Amnesty International is strengthened through active and diverse participation.

UK Strategic Human Rights Priorities (2016-2020)

- Protecting the rights of refugees
- Protecting the space for civil society
- Ensuring that human rights are respected, protected and promoted in the United Kingdom
- Responding to human rights crises
- Protecting individuals at risk
- Educating people about their human rights

The Trust typically provides annual grants to support projects that are mostly of longer than one year duration.

During 2018, grants to the International Secretariat covered the following areas.

Goal 1: Reclaiming Freedoms

During 2018, grants from the Trust supported the monitoring and reporting of human rights violations and abuses in Eritrea, capacity building training for human rights defenders in Sri Lanka and Gambia, and human rights education for and about human rights defenders. The Trust was pleased to note the impact of a project it supported in 2017, that looked at the impact of online threats, harassment and violence directed at women human rights defenders. This drew attention to the problem in a number of countries and supported Amnesty International's engagement of leading technology industry figures and ongoing action in different parts of the international movement. In 2018, the Trust supported a number of other initiatives looking at technology and human rights, including a project to increase the resilience of human rights defenders to detect, withstand and respond to digital attacks, and a research project into online censorship and surveillance and the use of privacy by design technology.

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Goal 2: Securing equal rights for all

During 2018, the Trust supported a number of research projects on access to and abuses of economic, social and cultural rights. They included a project to uncover, analyse and make recommendations about violation of the right to health in Choco, Colombia, and research on land acquisition in Mozambique and Angola and on indigenous land rights more broadly, supported by the development of submissions to UN periodic review and treaty monitoring mechanisms. Grants were also provided to support research into intersectional discrimination and into discrimination in access to sexual and reproductive rights in Latin America.

Goal 3: Responding to crises

During 2018, Trust grants supported the documentation and analysis of human rights violations and abuses in the context of conflict in Mali and South Sudan.

Goal 4: Ensuring accountability

During 2018, the Trust supported research projects to document the scale of extrajudicial executions in Kenya, human rights violations in the context of The Philippines' war on drugs and potential human rights abuses by mining companies in southern Africa. The Trust also supported international justice projects, including monitoring the performance of international courts and researching and developing proposals on how to enhance the human rights effectiveness, transparency and accessibility to human rights defenders of UN bodies.

Goal 5: Maximising resources and engagement

To support the development of the Amnesty International community of human rights defenders, the Trust agreed grants to develop and pilot a content sharing platform to support fundraisers, to develop a communications hub in South Asia and establish an analytics system to support fundraising and engagement.

In addition, the Trust supported a number of international capacity building and human rights monitoring projects that support all of the strategic goals. These included projects to support policy development and sharing, to build skills in intergovernmental organisations' advocacy and engagement with standard-setting processes.

Protecting the rights of refugees

The Trust approved grants in support of the UK Section's work on the rights of refugees. This aims to promote the rights of refugees and migrants through developing a more welcoming and supportive environment, sponsoring positive public discourse and ensuring adequate legal protection for those fleeing conflict, violence and persecution. In addition to general awareness-raising initiatives, the Trust-supported work included the *Football Welcomes* programme to raise community-level awareness, casework to support individual refugees and support positive outcomes in country guidance cases and to seek changes to UK legislation to support improved access to family reunion for children.

As a significant success, the 2018 iteration of *Football Welcomes* expanded to involve 60 football clubs, including more than half of the English Premier League, together with clubs from the Women's Super

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League and down to grassroots non-league teams, helping to get a ‘Welcome Refugees’ message beyond the audiences normally reached through Amnesty International’s communications.

Protecting the space for civil society

During 2018, Trust grants supported the UK Section’s *Brave* campaign. This seeks to build awareness of human rights defenders, to provide UK-based support and solidarity for individual HRDs around the work and to contribute to improved protection and support for civil society organisation. The work supported by the Trust contributed to the UK government’s announcement that it would publish its guidelines on human rights defenders, enabling human rights defenders to understand what support they could obtain from UK missions abroad. It also serves to extend the UK existing commitments, through EU Human Rights Defenders Guidelines, beyond Brexit.

Protecting individuals at risk

Grant support for the UK Section’s Individuals at Risk Programme aims to inspire and empower supporters to take action for individuals and communities whose rights are being denied. During 2018 activities included capacity building on ethics and safeguarding in relation to individuals at risk, support for long-term casework and case monitoring and the issuing of Urgent Action requests, which alert activists to ensure that when someone is in immediate danger of serious human rights abuse, those responsible receive thousands of letters, faxes and telegrams from all over the world demanding it to stop. This shows the authorities that the world is watching and has the potential to protect that person from further abuse. The Trust’s grant also supported the UK Section’s annual *Write for Rights* campaign, which engages supporters and the general public in acts of solidarity for human rights defenders and individuals at risk.

Educating people about their human rights

The Trust supported the UK Section’s human rights education (HRE) programme throughout 2018, which aims to ensure that children, young people and adults in the UK know their rights, can claim them and take action to defend the rights of others around the world. The programme includes the development of HRE resources, the provision of continuing professional development training for teachers, maintenance of the *TeachRights* and school speakers networks and working with the International Secretariat to deliver Massive Open Online Courses (MOOCs). The support in 2018 enabled the UK Section’s HRE programme to reach 38,000 children and young people and more than 6,000 adults.

b) Fundraising and Foundations Strategies

Fundraising

Increased fundraising regulation and the implementation of the European General Data Protection Regulation (GDPR) has created a challenging environment for fundraising in the UK. The Trust saw a small decrease in the number of individuals contributing to its work, ending 2018 with around 98,500 financial supporters down from around 99,000 financial supporters at end of 2017. This decrease has contributed to a £0.1m decrease in donations from supporters compared to 2017, at £7.8m in 2018.

While raising funds from individuals continues to be our main source of funds to invest in human rights work, it is critical that we diversify our income, especially given the challenging context within which

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we are fundraising. We plan to do this by focusing on building income from major gift sources and legacies. In 2018 our partnership with People's Postcode Lottery contributed £2.7m and we also experienced another strong performance from our legacy programme, raising £5.6m.

Amnesty International's strength lies in the fact that we are a global movement of people who stand up for humanity and human rights. Central to everything we believe is the principle that people are the instruments of change. We value and respect the supporters engaged in our movement, and we strive to give them the best experience we can, so that together we can do more to promote and protect human rights for everyone.

The Trust follow a set of six fundraising principles, which we use to guide our fundraising policy, strategy and the behaviour of our fundraisers and partner agencies. It forms our commitment to our supporters:

- Our fundraising respects and protects our independence, impartiality and mission
- We fundraise with integrity
- We work in partnership with those who support us
- We value and respect our supporters
- We fundraise with courage
- We are transparent in our fundraising and use of funds

The Trust's fundraising activity complies with all relevant legislation and regulation, including the EU General Data Protection Regulation (which came into force in May 2018), and the Privacy and Electronic Communications Regulations 2003. The Trust complies with the Code of Fundraising Practice and the Trust is registered with the Fundraising Regulator. The Trust is a member of the Direct Marketing Association and the Institute of Fundraising.

Most of our activity to reach new supporters is carried out by our in-house fundraising teams who have a detailed understanding of our human rights work. Where we engage external professional fundraising agencies, we provide training to staff and monitor their compliance with the Code of Fundraising Practice.

A focus in 2018 was to deliver a comprehensive training programme on our fundraising compliance procedures to ensure our fundraising activity is aligned with our policy and current UK regulation and legislation.

Our supporter care team received a total of 105 complaints in relation to the UK Section and the Trust's fundraising activities in 2018 (2017: 188). We respond to all complaints, and ensure corrective action is taken as required. Those corrective actions might include retraining fundraisers and revising our fundraising activities.

We recognise the need to ensure we respond appropriately when our fundraisers engage with people who may be in vulnerable circumstances and in January 2018 we finalised a procedure and process to support this. The Trust is committed to showing respect and empathy towards people in vulnerable circumstances and that no donation is sought from someone who may not have the capacity to make an informed and considered decision.

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c) Capacity-Building Strategies

Objectives were set out in 2015 to build the internal skills and practices required to better effect human rights change.

Project management: During 2018, we concluded and evaluated the pilot of a new approach to project management. Working with the UK Section, the approach became mandatory for all UK Section and Trust projects initiated after August 2018. By the end of the year, 49% of staff had participated in project management training; a quarter of staff were inducted into their project manager or project sponsor role.

Developing our people and culture: The review of the staff pay and grading structure took more time and consumed significantly more hours than anticipated. As a result, progress on equality, diversity and inclusion initiatives and the roll-out of the 'Our Commitments' behaviours framework recorded some progress but not to the extent anticipated at the start of the year.

Governance: The Trust commenced its review of grant-making activities and, as part of this process, reviewed its understanding of the objects clause. The review work continues into 2019. In early 2018, the Trustees considered the question of whether to undertake operational human rights education activity. It was considered that further work on the risks and implications would be necessary.

The other significant, planned governance activity was to review the relationship between the UK Section and the Trust. At the start of the year, the Trust commissioned an external team of consultants (from Blue Spark Consulting and Bates Wells Braithwaite) to review the relationship. This work was both helped and complicated when the Charity Commission published draft guidance on connected organisations and launched a public consultation. In the summer, the consultants delivered an interim report but further work was put on hold to await revised guidance from the Charity Commission. A further, improved draft of the guidance was circulated in November but at the end of the year, this was still to be finalised.

Technology: As planned, the Trust worked with the UK Section to agree a combined Technology Strategy. Where significant costs or risks are anticipated, the directions set out in the strategy will receive further scrutiny through the development of business cases and project plans.

Safeguarding: Work to review and improve the policies and procedures on child and vulnerable adult safeguarding commenced in 2017. During 2018, an external review highlighted a number of areas required to improve staff safeguarding and well-being, particularly in relation to lone working and ensuring that lines were clear on reporting concerns and incidents. Clear and consistent communications on reporting were put in place and at the end of the year, the Trustees approved a four-stream approach to safeguarding review and development addressing: children and vulnerable adults; staff and volunteers; beneficiaries; and supporters.

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4. Plans for future periods

The table below details how the Trust will make progress toward strategic goals in 2019.

Our Human Rights Priorities	What we will do in 2019
Grant-making	The Trust will offer grants in support of international work and human rights activity in the UK and will look to provide support across the spectrum of international and UK strategic goals
Growing our financial resources*	<p>We will achieve income of £29.1m*, of which £19.4m we will be raised in the Trust.</p> <p>We will reduce the level of free reserves towards our target range of £6.5m - £8.5m. UK Section £2.8m-£3.8m and the Trust £3.7m - £4.7m.</p> <p>The Trust will recruit or reactivate 18,000 financial supporters, and receive 12,000 SMS donations. The Trust will end 2019 with around 100,000 financial supporters, an increase of 2%.</p>
Connecting more people to human rights*	The Trust and UK Section will together engage 890,000 supporters with their work, including 100,000 financial supporters of the Trust.
Enhancing project management*	We will continue to roll-out our project management approach to all new projects, monitoring its effectiveness and building the capacity of those who lead the projects.
Developing our people and culture*	<p>The Trust will work with the UK Section to develop a framework and enable all managers to participate in a culture and leadership programme.</p> <p>We will continue to embed our behavioural 'Commitments' and to develop plans to take forward work on equality, diversity and inclusion.</p>
Enhancing our governance	<p>We will develop and start to implement plans arising from recommendations that come out of our project to review the relationship with the UK Section.</p> <p>We will complete the review of Trust grant-making and will explore the establishment of a Grants Subcommittee.</p>
Deploying technology effectively*	<p>We will replace our intranet</p> <p>We will refresh our IT infrastructure</p> <p>We will improve our human resources IT systems</p>

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Safeguarding*	We will recruit a Head of Safeguarding and implement action plans across the four streams of our safeguarding work.
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* Footnote: Combined objective of the UK Section and the Trust

5. Financial review

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2015 in preparing the annual report and financial statements of the charity. The financial statements also comply with the charity's governing documents.

The accounts show a surplus for the year of £0.1m which is £2.7m less than the £2.8m surplus achieved in 2017. Income was £0.1m less than last year.

Expenditure has increased by £2.6m. The main reasons are an increase in expenditure on charitable activities of £2.1m, and an increase in expenditure on raising funds of £0.5m. A large part of our expenditure (49%) continues to support global research into human rights violations (2017: 60%). The proportion of expenditure on the promotion of human rights increased to 17% from 5% in 2017. This increase was a direct result of a charitable grant made to the UK Section of £2.5m (2017: £nil).

Staff costs increased significantly in 2018, with a large part of that increase attributable to one-off costs associated with a pay and grading review, concluded in September 2018. The pay and grading review created some higher pay rates. There were also significant one-off impacts of the review on both the Trust and the UK Section, increasing aggregate staff costs across both entities.

A commitment was made at the start of the process to backdate the impact of any increase in rates of pay to May 2016, when the need for a pay and grading review was agreed. The review extended beyond the anticipated time frame, and the backdated adjustment to pay covered a 28 month period from May 2016 to August 2018. The back-pay resulted in a £0.4m one-off increase in aggregate salary costs in 2018, of which £0.1m were apportioned to the Trust. Across both the UK Section and the Trust, 165 staff received back-pay, with 81 staff accruing over £1,000 in backpay, representing over 95% of the total back-pay cost.

Following the conclusion of the review, there were further one-off costs associated with two staff departures under settlement agreements, whose pay grade had been reduced through the pay and grading review, but who had pre-existing and conflicting protected pay agreements.

Free reserves at 31 December 2018 were £6.4m, which is an increase of £0.2m on 2017 and is above the target range of £3.7m to £4.7m. The reserves policy is addressed further in Section 7 below.

6. Risk and assurance

Risk management is an integral part of our governance. We identify and address our key strategic risks in order to mitigate their likelihood and impact. There are two levels to the risk and assurance process.

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Our strategic risk approach is designed to identify the key risks which could prevent the Trust from achieving its strategic objectives. It also identifies the assurance processes which we have in place to mitigate these risks and any outstanding actions around these assurance processes.

We also have an operational risk framework which underpins the strategic risk framework, dealing with a greater number of potential risks at a more detailed level.

The Trustees consider aspects of risk and assurance and are supported in this by the work of the Finance Audit and Risk Sub-Committee.

The major strategic risks for both the UK Section and the Trust, together with plans and strategies in managing these risks, are shown in the table below.

Risk	Plans and strategies to manage risks
Strategy and Impact – are we delivering the strategy and impact in order to meet our vision?	<ul style="list-style-type: none"> • We have a clear strategy for the period 2016 to 2020. • We report quarterly against strategic objectives through a suite of key performance indicators. • Monitoring, evaluation and impact assessment systems are being developed.
Financial sustainability – are we delivering the strategy in a way that safeguards our financial sustainability?	<ul style="list-style-type: none"> • We have a fundraising strategy which supports the overall strategy. • We have reviewed the reserves policy which is linked to risks and is reviewed annually. • A more sustainable international funding framework has significantly improved our long-term financial sustainability. • Robust budgeting, forecasting and long-term financial planning processes are in place.
Reputation – are we delivering the strategy in a way which safeguards our reputation?	<ul style="list-style-type: none"> • We have a suite of policies and procedures designed to manage this risk including those covering: acceptance of donations, unauthorised fundraising, creative approvals, procurement, investment, data protection and social media. • We have an established crisis communications group with significant experience of effectively managing response to reputational risk. • We have an established on-call media team.
Governance – do our governance arrangements support our strategic delivery whilst ensuring that they are fit-for-purpose?	<ul style="list-style-type: none"> • International movement core standards reporting ensures our compliance with relevant movement core standards. • We have an on-going programme of work to formalise operational and compliance aspects of both the UK Section and Trust.

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<p>Statutory and Regulatory Compliance – do we meet all compliance obligations relevant to the delivery of our strategy?</p>	<ul style="list-style-type: none"> • We monitor and manage all compliance aspects relevant to the delivery of our strategy. • There is a programme of internal audit and we have undertaken pieces of work to ensure compliance in certain areas. • We have completed significant workstreams around ensuring data protection and fundraising compliance. • There is a grant assurance process in place which ensures that grants from the Trust to the International Secretariat and UK Section are used in furtherance of the Trust’s charitable objects.
<p>People – are we acting as a responsible employer and are we exercising the right level of duty of care to the people who we work with and for?</p>	<ul style="list-style-type: none"> • We work closely with staff and have a number of formal fora within which staffing issues are discussed. • We have a People and Culture strategy and suite of policies that ensure we are exercising our duty of care. • The Individuals at Risk and Human Rights Defenders strategy addresses informed consent. We discuss risks with human rights defenders and the consent status of each case is recorded and reviewed regularly. • A Head of Safeguarding post has been created, and a four-stream approach to safeguarding review and development has been agreed.

Our risk management framework complies with recommended practice as outlined by the Charity Commission for England and Wales.

7. Reserves policy

As at 31 December 2018, unrestricted funds totalled £11.1m (2017: £10.9m). This comprises:

- £4.7m (2017: £4.7m) of designated funds, representing the net book value of fixed assets, which are not readily realisable and are hence excluded from free reserves.
- £6.4m (2017: £6.2m) of funds which represent free reserves.

A level of free reserves is necessary to ensure that the Trust’s activities can continue on a day-to-day basis and, in particular, can continue in the event of a major unforeseen reduction of income or increase in expenditure. These reserves provide a contingency to enable the Trustees to take the necessary actions to bring income and expenditure into line.

In line with recommendations of the Charity Commission, the Trustees have adopted a risk-based reserves policy which is reviewed annually.

The target range of free reserves is determined by considering the key strategic and operational risks facing the Trust, as well as the strategic plans and current financial position.

Considering these factors, the Trustees have determined that free reserves should be within the range of £3.7m to £4.7m, and this is reflected in the Trust’s financial strategy. At 31 December 2018, the level of free reserves was above this range, at £6.4m. A deficit budget in 2018 was planned to reduce

**AMNESTY INTERNATIONAL UK SECTION
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Strategic Report for the year ended 31 December 2018

free reserves during the year, but better than budget income from legacies in particular, led to a surplus.

The Trust plans to gradually bring free reserves in line with the policy, by increasing expenditure on charitable activities and fundraising investments in 2019 and future years, in line with the financial strategy.

8. Investments policy

In making any financial investment, the Trust's policy requires consideration of:

- Minimisation of risk. No speculative investments shall be made
- Liquidity: Invested funds shall be kept liquid to allow them to be called upon as necessary
- Reputational risks: 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, and thus result in reputational risk.

At 31 December 2018 the Trust held US Federal Government coupon bonds which were donated to the Trust as part of a restricted permanent endowment. The only other form of investment held by the Trust was cash held in a pooled fund of interest-bearing deposits, included in the accounts within cash balances.

This report is now approved by the Board and signed on its behalf by:

Gareth Davies, Chair

28 March 2019

**AMNESTY INTERNATIONAL UK SECTION
CHARITABLE TRUST**
Auditor's report for the year ended 31 December 2018

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF AMNESTY INTERNATIONAL
UK SECTION CHARITABLE TRUST**

Opinion

We have audited the financial statements of Amnesty International UK Section Charitable Trust ("the Charitable Company") for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2018 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**AMNESTY INTERNATIONAL UK SECTION
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Auditor's report for the year ended 31 December 2018

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: Trustees' Annual Report and the Strategic Report. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic Report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

- proper and adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**AMNESTY INTERNATIONAL UK SECTION
CHARITABLE TRUST**
Auditor's report for the year ended 31 December 2018

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, 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, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Fiona Condron (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick, West Sussex
Date

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

AMNESTY INTERNATIONAL UK SECTION CHARITABLE TRUST
Statement of financial activities for the year ended 31 December 2018

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total funds	Total funds
		2018 £000s	2018 £000s	2018 £000s	2018 £000s	2017 £000s
Income from:						
Donations and grants	4/5	15,003	494	-	15,497	15,523
Other trading activities	6	4,345	-	-	4,345	4,448
Investments and other income	7	265	-	15	280	262
Total income		19,613	494	15	20,122	20,233
Expenditure on:						
Raising Funds						
Raising funds	4	4,272	-	-	4,272	3,817
Other trading activities	6	780	-	-	780	709
Total expenditure on raising funds		5,052	-	-	5,052	4,526
Charitable activities						
Promotion of human rights	8	3,172	155	-	3,327	925
Research: human rights violations	8	9,426	460	-	9,886	10,417
Investment in activist recruitment	8	1,739	-	-	1,739	1,505
Total expenditure on charitable activities		14,337	615	-	14,952	12,847
Total expenditure		19,389	615	-	20,004	17,373
Net gains / (losses) on investments		-	-	2	2	(32)
Other recognised gains / (losses)		-	-	20	20	(25)
Transfers between funds	16	15	-	(15)	-	-
Net income / (expenditure)		239	(121)	22	140	2,803
Reconciliation of funds:						
Total funds brought forward		10,858	169	542	11,569	8,766
Total funds carried forward		11,097	48	564	11,709	11,569

All amounts relate to continuing activities. The notes on pages 23 to 36 form part of these financial statements. Analysis by fund of the 2017 income and expenditure comparatives is shown in notes 4 to 8.

AMNESTY INTERNATIONAL UK SECTION CHARITABLE TRUST
Balance sheet at 31 December 2018

	Note	2018 £000s	2018 £000s	2017 £000s	2017 £000s
Fixed assets					
Tangible fixed assets	12	4,686		4,682	
Investments	13	<u>239</u>		<u>237</u>	
			4,925		4,919
Current assets					
Debtors	14	4,845		4,378	
Cash at bank and in hand		<u>6,636</u>		<u>5,240</u>	
		11,481		9,618	
Creditors: amounts falling due within one year	15	<u>(4,697)</u>		<u>(2,968)</u>	
Net current assets			6,784		6,650
Total net assets			<u>11,709</u>		<u>11,569</u>
Funds					
Unrestricted					
Undesignated	16		6,411		6,176
Designated	16		4,686		4,682
Restricted	16		48		169
Endowment	16		564		542
Total funds			<u>11,709</u>		<u>11,569</u>

Approved by the Board of Trustees and signed on its behalf by:

Meredith Coombs, Treasurer
28 March 2019

The notes on pages 23 to 36 form part of these financial statements.

AMNESTY INTERNATIONAL UK SECTION CHARITABLE TRUST
Cash flow statement for the year ended 31 December 2018

	Note	2018 £000s	2018 £000s	2017 £000s	2017 £000s
Cash flows from operating activities					
Net cash provided by operating activities	17		1,402		2,697
Cash flows from investing activities					
Interest received	7	35		17	
Payments to acquire tangible fixed assets	12	(41)		-	
Net cash (used in) / provided by investing activities			(6)		17
Change in cash and cash equivalents in the year	17		1,396		2,714
Cash and cash equivalents at the beginning of the year	17		5,240		2,526
Cash and cash equivalents at the end of the year	17		6,636		5,240

The notes on pages 23 to 36 form part of these financial statements.

AMNESTY INTERNATIONAL UK SECTION CHARITABLE TRUST
Notes forming part of the financial statements for the year ended 31 December 2018

1 Overview of our structure in relation to the worldwide Amnesty International movement

Amnesty International UK Section Charitable Trust ("the Trust") is a company limited by guarantee and a registered charity. The Trust pursues its charitable objectives by funding a range of activities aimed at promoting the rights set out in the Universal Declaration of Human Rights.

An overview of the place of the Trust in relation to the worldwide Amnesty International Movement is provided in the Trustees Report.

2 Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments. The report and financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' effective from 1 January 2015, the Companies Act 2006, the Charities Act 2011 and applicable UK accounting standards, including FRS 102. The principal accounting policies are set out below and have been applied consistently throughout the year.

The Trust constitutes a public benefit entity as defined by FRS102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern, following a regular review of strategic risk.

Income and expenditure

- Income from appeals and charitable donations is accounted for when received
- Tax recoverable on Gift Aid income is accounted for on a receivable basis
- Interest income is accounted for on an accruals basis
- 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 the cost of raising funds (gaining financial supporters) and campaigning expenditure (gaining activists).
- 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
- Grants made in furtherance of the charity's objects are recognised as expenditure when confirmation of an award is made to the receiving organisation
- Irrecoverable VAT is charged to the relevant expenditure account when it is incurred

Estimates and Judgements

All accounting judgements and estimates included in these accounts are in line with the stated accounting policies.

There are no assumptions or estimates included in these accounts that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

2 Accounting Policies - Continued

Estimates and Judgements - continued

- For external lotteries benefiting the Trust where there is no ability to alter the ticket price, prizes or management charges, the Trust is not treated as the principal and income is recognised net of associated costs
- Both pecuniary and residuary legacies are accounted for when there is sufficient evidence as to entitlement, measurability and probability of receipt. Legacies with a life interest are recognised at the termination of the intervening trust and when legal title passes to the charity.

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:

Freehold buildings 2% per annum; Computer equipment 33% per annum;

Freehold land is included at cost and is not depreciated.

A de minimis value of £5k is used for the capitalisation of fixed assets, with items of a lower value being charged to expenditure.

Debtors

Debtors are recognised at the settlement amount due to the Trust at the end of the period.

Creditors and Provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

Financial Instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Investments

Investments, currently comprising US Government Bonds, 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

The Trust contributes to two defined contribution pension schemes:

- A multi-employer scheme with The Pensions Trust.
- A separate scheme with Scottish Widows.

Contributions are charged to the income and expenditure account in the year to which they relate. The pension schemes are independently administered and the assets of the schemes are held separately from the Trust.

AMNESTY INTERNATIONAL UK SECTION CHARITABLE TRUST
Notes forming part of the financial statements for the year ended 31 December 2018

2 Accounting Policies - Continued

Reserves

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

Holiday pay

All employees of the Trust and the UK Section are contractually entitled to annual leave in accordance with relevant legislation and organisational policies. The total cost of untaken staff holiday entitlement at the year end is provided for.

3 Taxation

The Trust is a registered charity within the meaning of paragraph 1 schedule 6 of the Finance Act 2010. Accordingly the Trust is potentially exempt from taxation in respect of income or capital gains within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or section 256 of The Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge arose in the year.

4 Donations and grants

	Unrestricted 2018 £000s	Restricted 2018 £000s	Endowment 2018 £000s	Total 2018 £000s	Total 2017 £000s
Donations from supporters (see note 5)	7,785	15	-	7,800	7,870
Legacies	5,625	-	-	5,625	5,792
Gift Aid	1,577	3	-	1,580	1,570
Grants received (see note 5)	16	476	-	492	291
	15,003	494	-	15,497	15,523
Expenditure on raising funds					
Supporter recruitment	2,610	-	-	2,610	2,256
Supporter care	477	-	-	477	406
General fundraising	1,016	-	-	1,016	999
Legacies	169	-	-	169	156
	4,272	-	-	4,272	3,817
Net fundraised income generated	10,731	494	-	11,225	11,706

Included in the expenditure in raising funds is £676k (2017: £576k) of apportioned support costs. (See note 9 for further information).

Donations from supporters in 2017 included £7k restricted income. £280k of grants received in 2017 were restricted.

Expenditure on raising funds from legacies in 2017 included £20k restricted expenditure. All other 2017 comparative income and expenditure in this note was unrestricted.

AMNESTY INTERNATIONAL UK SECTION CHARITABLE TRUST
Notes forming part of the financial statements for the year ended 31 December 2018

5 Analysis of restricted funds received

The Trustees express their gratitude to the funders for their generous grants: **£000s**

Donations:

From individuals in support of:

Women's human rights	12
Individuals at risk	1
Refugee programme	5
	18

Grants:

Network for Social Change	Human Rights Consortium Scotland	12
The Joseph Rowntree Foundation	Human Rights Consortium Scotland	60
Comic Relief	Kenya - Forced evictions project	86
Department for International Development	Human rights education - West Africa	288
The British Red Cross	Refugee programme	30
		476
Total restricted funds received		494

6 Other trading activities

	Income	Expenditure	Net funds	Income	Expenditure	Net funds
	2018	2018	2018	2017	2017	2017
	£000s	£000s	£000s	£000s	£000s	£000s
Corporate relationships	151	1	150	249	2	247
Community fundraising	413	300	113	506	275	231
Appeals	503	182	321	536	174	362
Lotteries	3,034	183	2,851	2,906	149	2,757
Raffles	244	114	130	251	109	142
	4,345	780	3,565	4,448	709	3,739

Lottery income in 2018 of £3,034k (2017: £2,906k) is from the Trust's weekly lottery draws, and from a series of lottery draws run by the People's Postcode Lottery (PPL). The Trust has no ability to alter the ticket price, prizes or management charges and therefore does not act as the principal for the PPL draws. Proceeds from the PPL draws have been recognised in the Statement of Financial Activities as net of prizes and other expenditure.

The lottery draws run by the PPL had gross ticket proceeds of £8,458k (2017: £8,312k), paid out prizes of £3,383k (2017: £3,325k), and had operating costs of £2,368k (2017: £2,410k). The residual balance of £2,707k (2017: £2,577k) fell to The Trust as the charity beneficiary of the draws.

Included in expenditure on other trading activities is £75k (2017: £62k) of apportioned support costs. (See note 9 for further information). All income from other trading activities was unrestricted.

AMNESTY INTERNATIONAL UK SECTION CHARITABLE TRUST
Notes forming part of the financial statements for the year ended 31 December 2018

7 Investment and other income	2018	2017
	£000s	£000s
Interest receivable on bank deposits	20	3
Interest receivable on fixed asset investments	15	14
Investment income	35	17
Rental income	245	245
Total investment and other income	280	262

The rental income arises under a lease granted to a related entity, the UK Section, to occupy the Human Rights Action Centre. See note 20 for income under operating leases.

8 Expenditure on charitable activities	2018	2017
	£000s	£000s
Promotion of human rights		
Grants from unrestricted funds to the UK Section:	2,453	-
Restricted grants to the UK Section:		
Human rights defenders	-	3
Human rights education	-	69
Individuals at risk	1	5
Human Rights Consortium Scotland	111	26
Refugee programme	30	3
Women's human rights	13	9
Total restricted grants to the UK Section	155	115
Production and distribution of human rights publications	565	637
Support costs apportioned (see note 9)	154	173
Total expenditure on promotion of human rights	3,327	925

Restricted grants to the UK Section represent the passing on of restricted funds received for human rights activities to be carried out by the UK Section.

AMNESTY INTERNATIONAL UK SECTION CHARITABLE TRUST
Notes forming part of the financial statements for the year ended 31 December 2018

8 Expenditure on charitable activities - Continued	2018	2017
	£000s	£000s
Research into and relief of human rights violations		
Grant to Amnesty International Limited	9,455	10,291
Direct international funding	431	126
Total research into and relief of human rights violations	9,886	10,417
Investment in activist recruitment		
Investment in activist recruitment	1,560	1,354
Support costs apportioned (see note 9)	179	151
Total investment in activist recruitment	1,739	1,505
Total expenditure on charitable activities	14,952	12,847
Total Restricted Grants included in the above		
For the promotion of human rights	155	122
Research into and relief of human rights violations	460	126
	615	248
9 Support Costs		
	2018	2017
	£000s	£000s
Staff costs	801	693
Depreciation	37	32
Auditors - audit fees	33	36
Auditors - other services	4	-
Governance (excluding staff)	-	1
Other support costs	209	200
Total support costs	1,084	962
	2018	2017
	£000s	£000s
Raising funds	676	576
Other trading activities	75	62
Promotion of human rights	154	173
Investment in activist recruitment	179	151
Total support costs apportioned	1,084	962

Staff costs include employees in the Finance, Information Technology, Human Resources and Facilities departments.

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

AMNESTY INTERNATIONAL UK SECTION CHARITABLE TRUST
Notes forming part of the financial statements for the year ended 31 December 2018

10 Staff costs

All staff are employed on joint contracts of employment with both the UK Section and the Trust. A total of 241 staff were employed during 2018 (2017: 232).

This number includes part-time and job-share posts and those who joined and left during the year. The average headcount was 202 in 2018 (2017: 195). The full time equivalent number of staff employed in 2018 was 183 (2017: 177).

Apportioned staff costs

Costs shown here are those apportioned to the Trust only. The amount charged for an employee to each entity is based on time spent in undertaking work for that entity.

	2018	2017
	£000s	£000s
Wages and salaries	2,637	2,664
Back-paid wages and salaries	113	-
Social security costs	305	292
Pension costs	188	175
Ex-gratia payments	16	-
	3,259	3,131

The amount shown above for back-paid wages and salaries in 2018 is in respect of a pay and grading review. A commitment was made at the start of the process to back-date the impact of any increase in rates of pay to May 2016, when the need for a pay and grading review was agreed. The review extended beyond the anticipated timeframe, and the backdated adjustment to pay covered a 28 month period from May 2016 to August 2018, and resulted in a one-off increase in staff costs in 2018.

The amount shown above against Ex-gratia payments in 2018 is in respect of a settlement payment made to a member of staff, whose pay grade had been reduced through the pay and grading review, but who had pre-existing and conflicting protected pay agreements.

The Trust contributes to defined contribution pension schemes.

AMNESTY INTERNATIONAL UK SECTION CHARITABLE TRUST
Notes forming part of the financial statements for the year ended 31 December 2018

10 Staff costs (continued)

Full time equivalent analysis

The number and cost of apportioned full-time equivalent staff engaged on the Trust's various activities

	Average number of staff	Full-time equivalents	Cost £000s
Cost of generating voluntary income	63	37	1,879
Activities for generating funds	8	4	189
Promotion of human rights	25	6	389
Support	30	14	802
	126	61	3,259

Of the 241 staff employed during 2018, there were 146 staff who had a part of their time apportioned to the Trust. The full time equivalent number of staff apportioned to the Trust was 61 (2017: 65). The average number of employees apportioned to the Trust for 2018 was 126 (2017: 139).

Emoluments of employees

The number of employees who had part of their time apportioned to the Trust whose emoluments fell within the following bands were:

£ 000s	2018 Total numbers	2017 Total numbers
0 - 60	134	158
60 - 70	7	1
70 - 80	-	3
80 - 90	1	1
100 - 110	4	1
	146	164

The banding above is based on the full employee benefits (excluding employer pension costs) of those staff working for the Trust irrespective of the apportionment of those costs between the Trust and the UK Section. One-off back-payments made to key management personnel in 2018 have pushed 3 additional employees into the £100k - £110k emoluments range.

Key management personnel remuneration

Aggregate emoluments for the five key management personnel of both the UK Section and the Trust for the year ended 31 December 2018 total £610,715 (2017: £480,815). £95k of this change is a result of back-payments made to four of the key management personnel. Emoluments to key management personnel in this note include employer's pension and National Insurance contributions. This figure represents the total costs, of which 47% in total are apportioned to the Trust.

11 Directors' remuneration

The Trust is a company limited by guarantee and a charity, and so the Directors are also Trustees. No Trustee received emoluments during the year (2017: £nil). During 2018, out of pocket expenses totalling £502 were reimbursed to 3 Trustees (2017: £1,242 to 4 Trustees).

Directors and Officers Liability Insurance cover was in place at an annual premium of £2k (2017: £2k).

AMNESTY INTERNATIONAL UK SECTION CHARITABLE TRUST
Notes forming part of the financial statements for the year ended 31 December 2018

12 Tangible fixed assets

	Computer equipment & infrastructure £000s	Land and buildings £000s	Total fixed assets £000s
Cost			
At 1 January 2018	-	5,094	5,094
Additions	41	-	41
At 31 December 2018	<u>41</u>	<u>5,094</u>	<u>5,135</u>
Depreciation			
At 1 January 2018	-	412	412
Charge for the year	5	32	37
At 31 December 2018	<u>5</u>	<u>444</u>	<u>449</u>
Net book value at 31 December 2018	<u>36</u>	<u>4,650</u>	<u>4,686</u>
Net book value at 31 December 2017	<u>-</u>	<u>4,682</u>	<u>4,682</u>

The land and building asset is the freehold of the Human Rights Action Centre in New Inn Yard, London. The Trust has granted a 35-year lease to the UK Section, a condition of which is that the tenant has to carry out the programme of refurbishments to the building. The capital costs of these refurbishments are shown in the accounts of that company. The UK Section has granted a licence allowing the 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 original cost of the land included above is £3.5 million.

13 Listed investments

The listed investments represent unmatured US Federal Government Bonds gifted under a declaration of Trust dated September 1999. Further details are set out in note 16.

	2018 £000s	2017 £000s
Opening market value at 1 January	237	269
Realised gains / (losses) for the year	13	(10)
Unrealised loss for the year	(11)	(22)
Closing market value at 31 December	<u>239</u>	<u>237</u>
Historical cost at 31 December	<u>231</u>	<u>231</u>

Realised gains / (losses) relate to exchange rate gains / (losses) during the year.

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Notes forming part of the financial statements for the year ended 31 December 2018

14 Debtors

	2018	2017
	£000s	£000s
Tax recoverable on Gift Aid	589	645
Accrued legacy income	3,958	3,397
Other accrued income	217	259
Other debtors and prepayments	81	77
	4,845	4,378

15 Creditors: amounts falling due within one year

	2018	2017
	£000s	£000s
Trade creditors	147	210
Amounts due to related entities	964	386
Accrued charges and deferred income	3,586	2,372
	4,697	2,968

Included in the above figures is £45k of deferred income (2017: £49k). £35k of this deferral relates to Amnesty Lottery receipts, where players paid in advance for draws which have not yet taken place (2017: £36k). The remaining £10k was deferred in respect of sponsorship raised in 2018 for events which will take place in 2019 (2017: £13k).

All income deferred at 31 December 2017 was recognised as income in 2018, and all deferred income included above relates to receipts in 2018.

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Notes forming part of the financial statements for the year ended 31 December 2018

16 Funds

	Undesignated funds £000s	Designated funds £000s	Restricted funds £000s	Endowment fund £000s	Total £000s
At 1 January 2018	6,176	4,682	169	542	11,569
Total income	19,613	-	494	15	20,122
Total expenditure	(19,389)	-	(615)	-	(20,004)
Movement between reserves	11	4	-	(15)	-
Investment and other gains	-	-	-	22	22
At 31 December 2018	6,411	4,686	48	564	11,709
Represented by					
Fixed assets	-	4,686	-	-	4,686
Investments	-	-	-	239	239
Net current assets	6,411	-	48	325	6,784
	6,411	4,686	48	564	11,709

Undesignated funds

Undesignated funds represent the funds that the Trustees are free to use in accordance with the charitable objects.

Designated funds

Designated funds comprise investments in tangible fixed assets which enable the Trust to carry out its work effectively. As these funds comprise fixed assets, it is not possible to utilise them elsewhere within the Trust.

The movement between funds shown above which increases Designated Funds by £4k is a reflection of the increase in the net book value of fixed assets over the year.

Restricted funds

Restricted funds represent grants received for restricted purposes (analysed below). Further details of restricted income and expenditure can be found in notes 5 and 8.

	2018 £000s	2017 £000s
Human rights education - West Africa	(80)	-
Individuals at risk	-	1
People trafficking	88	88
Human Rights Consortium Scotland	38	78
Human rights education - Israel	2	2
	48	169

The negative fund balance, for Human rights education - West Africa, relates to expenditure against restricted income from the Department for International Development, which is expected to be received in 2019.

Endowment fund

By a declaration of Trust dated September 1999, the Trust was made the beneficiary of a gift from David T K Wong of:

- : US\$300k US Federal Government Zero Coupon Bonds which matured in November 2011, and
- : US\$50k US Federal Government Zero Coupon Bonds which matured in November 2015, and
- : US\$250k US Federal Government 7.625% Coupon Bonds which mature in January 2023

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Notes forming part of the financial statements for the year ended 31 December 2018

16 Funds - continued

In October 2014 a gift was received of £25k, and in February 2016 a further gift of £20k was received, with both to be invested in the endowment fund. The Trustees are obliged to hold this capital and any maturing bonds in perpetuity and apply the income of the fund in furtherance of the Trust's charitable objectives.

The endowment fund represents cash and bonds (stated at market value). The bonds must be held until their maturity dates.

The movement between funds shown above which decreases the Endowment fund by £15k represents interest earned on listed investments to be applied to unrestricted funds for the furtherance of the Trust's charitable objectives.

Funds movements for 2017 are analysed below for comparison.

	Undesignated funds £000s	Designated funds £000s	Restricted funds £000s	Endowment fund £000s	Total £000s
At 1 January 2017	3,323	4,714	150	579	8,766
Total income	19,932	-	287	14	20,233
Total expenditure	(17,105)	-	(268)	-	(17,373)
Movement between reserves	26	(32)	-	6	-
Unrealised investment (losses)	-	-	-	(57)	(57)
At 31 December 2017	6,176	4,682	169	542	11,569
Represented by					
Land and buildings	-	4,682	-	-	4,682
Investments	-	-	-	237	237
Net current assets	6,176	-	169	305	6,650
	6,176	4,682	169	542	11,569

17 Notes to cash flow statement

Reconciliation of net income to net cash flow from operating activities

	2018 £000s	2017 £000s
Net income for the year as per the statement of financial activities	140	2,803
Adjustments for:		
Depreciation charges	37	32
Interest received	(35)	(17)
(Gains) / losses on investments	(2)	32
(Increase) in debtors	(467)	(2,316)
Increase in creditors	1,729	2,163
Net cash provided by operating activities	1,402	2,697

Analysis of cash and cash equivalents

	1 Jan 2018 £000s	Cash flows £000s	31 Dec 2018 £000s
Cash at bank and in hand	5,240	1,396	6,636

The difference of £6k between the net cash provided by operating activities and the change in cash in the year represents the net cash used in investing activities as shown in the cash flow statement.

AMNESTY INTERNATIONAL UK SECTION CHARITABLE TRUST
Notes forming part of the financial statements for the year ended 31 December 2018

19 Related party transactions

The Trust and the UK Section are considered to be related entities due to the alignment of their objectives and close collaborative and operational working.

The Trust and the two companies which comprise the International Secretariat are considered to be related entities due to the alignment of objectives and close relationships that exist within the Amnesty movement.

Related entity balances

At 31 December the Trust had the following balances with related entities:

	2018	2017
	£000s	£000s
Due to UK Section	964	386

Related entity transactions

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

	2018	2017
	£000s	£000s
Grant to Amnesty International Limited for research into human rights violations	(9,455)	(10,291)
Grants made from restricted funds to Amnesty International Limited for furtherance of charitable objectives	(431)	(126)
Grant from unrestricted funds to the UK Section for furtherance of charitable objectives	(2,453)	-
Grants made from restricted funds to the UK Section for furtherance of charitable objectives	(155)	(115)
Charges made to the UK Section under the terms of a lease for the occupancy of the Human Rights Action Centre	245	245
Charges made by the UK Section under the terms of a licence to use the Human Rights Action Centre	(45)	(45)
Payments made to the UK Section for Amnesty magazine	(96)	(100)
Donation from the UK Section under a Deed of Covenant	50	100

AMNESTY INTERNATIONAL UK SECTION CHARITABLE TRUST
Notes forming part of the financial statements for the year ended 31 December 2018

20 Income under operating leases

The following income has been committed to the Trust in the future in respect of operating leases:

	2018	2017
	£000s	£000s
Minimum lease income due		
No later than one year	245	245
Between 1 and 5 years	980	980
More than 5 years	3,900	4,145
	5,125	5,370
Analysed between:		
Human Rights Action Centre	5,125	5,370