



# Amnesty International United Kingdom Section Financial Report to Members: 2019 – 2nd Quarter

## Welcome

Welcome to the latest quarterly finance report for Amnesty International United Kingdom Section (Section) members for the 6 months ended 30 June 2019. The main body of this report presents Section figures and narrative.

We have also included a summary of the combined figures of the Section and Amnesty International UK Section Charitable Trust (Trust) at the end of the report. These figures are for illustrative purposes only, reflecting the activities of both entities which together make up the 'UK Section' which is part of the world-wide Amnesty International movement. Feedback and questions can be sent to: [financecontact@amnesty.org.uk](mailto:financecontact@amnesty.org.uk).

## Section figures summary table

Income & expenditure statement for the 6 months ending June 2019		Year to date			Full Year			Previous Year
		Actual	Budget	vs Budget	Forecast	Budget	vs Budget	Actual
Net fundraising and other income	Fundraising income	4,633	4,537	+ 96	9,401	9,376	- 51	9,459
	Fundraising expenditure	(817)	(957)	+ 140	(1,917)	(2,009)	+ 93	(1,171)
	Fundraising salaries	(374)	(341)	+ 126	(753)	(738)	- 15	(703)
	<b>Fundraising net income</b>	<b>3,442</b>	<b>3,239</b>	<b>+ 362</b>	<b>6,732</b>	<b>6,629</b>	<b>+ 26</b>	<b>7,585</b>
	Trust Human Rights grant Income	0	1,250	- 1,250	3,454	2,500	+ 954	2,453
	Other income	248	182	+ 66	512	393	+ 119	417
	<b>Total net income</b>	<b>3,691</b>	<b>4,671</b>	<b>- 822</b>	<b>10,698</b>	<b>9,522</b>	<b>+ 1,099</b>	<b>10,455</b>
Non fundraising expenditure	International movement	(126)	(124)	- 2	(499)	(249)	- 250	(295)
	Salaries	(3,017)	(2,990)	- 27	(6,013)	(5,562)	- 451	(4,305)
	Corporate Services	(1,052)	(1,094)	+ 42	(2,379)	(2,357)	- 22	(3,860)
	Supporter Campaigning	(1,171)	(1,391)	+ 220	(2,511)	(2,444)	- 67	(2,246)
	CE's Office	(75)	(143)	+ 68	(328)	(315)	- 1	(167)
	Directorate	(42)	(68)	+ 26	(70)	(90)	+ 20	(94)
	<b>Total non-fundraising expenditure</b>	<b>(5,483)</b>	<b>(5,809)</b>	<b>+ 326</b>	<b>(11,800)</b>	<b>(11,018)</b>	<b>- 770</b>	<b>(10,967)</b>
	<b>Surplus/(Deficit)</b>	<b>(1,792)</b>	<b>(1,138)</b>	<b>- 654</b>	<b>(1,102)</b>	<b>(1,496)</b>	<b>+ 329</b>	<b>(512)</b>

The year to date deficit against budget is £654k. Key movements from budget are analysed below:

## Fundraising and other income

Income from fundraising, grants and from other sources is together around £1.1m less than budget in the 6 months to date. The corresponding full year forecast income is £1m better than budget. Key movements from budget are analysed below:

**Trust-Section Grant** – No grant was made by the Trust to the Section in the first six months of 2019, against a budget of £1.25m. However grant requests totalling £2.9m were agreed in principal by the Trust Board in March 2019, with a further £0.6m grants approved in June 2019. The awarding of these grants is pending approval of a revised grant agreement between the Section and The Trust. The full £3.5m total grant amount included in the forecast, is £1m higher than budget, and is behind the overall forecast increase in income.

**Individual Giving** – year to date income of £4.1m is slightly better than budget mostly due to income from a successful cash appeal. The full forecast is slightly worse than budget, as income from new supporters is expected to be down on budget due to challenges with digital and face to face recruitment of new supporters.

**Social Giving and Retail** – year to date income of £486k is slightly better than budget mostly due to better performance in shops. This has driven a full year forecast which is £25k better than the £1.2m full year budget.

## Fundraising expenditure

The year to date underspend against budget for non-staff fundraising expenditure is £140k. The full year forecast expenditure is a reduction of £93k against a budget of £2m. Key movements from budget are analysed below:

**Recruiting and retaining new members** – is £65k behind on planned spend in the year to date mainly due to reduced investment in face to face membership recruitment and challenges investing in digital activity at budgeted levels. We are revising creative processes in order to address this. The full year forecast is £114k lower than budget.

**Stewardship - retention** – is £87k lower than budget to date mostly due to savings in welcome packs, a delayed supporter survey project and some reduced activity on mailing and communications due to lack of staff resources. Overall full year expenditure is reduced by £98k in line with year to date savings and reduced activities.



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### Other expenditure

**Salaries** – The full year forecast salary cost is £466k more than budget. The largest part of this is due to the apportionment of staff costs to the Trust being £288k lower than was allowed for in the Budget. This was an error in budgeting and the 2019 forecast has been corrected in line with the final staff cost apportionment between the two entities in 2018.

The remaining increase in forecast of £178k is in large part due to additional fixed term posts, with external restricted funding enabling around £100k of those posts, and the remainder funded through the reallocation of resources from the non-staff budget. These fixed term posts enable us to meet strategic objectives in our campaigns, in our digital engagement and in supporting our activism, without committing the Section to long-term additional fixed costs.

**Supporter Campaigning and Communications** – is £220k underspent against budget in the year to date mostly due to savings in running the AGM and delayed spend across the department. The full year forecast is £67k more than budget largely due to the additional investment in the 'Impact of the movement' activism strategy implementation and Football Welcomes expenditure.

**International Movement** is £250k more than budget due to an additional voluntary contribution made to the International Secretariat, approved by the boards in June, in response to a call for support to assist the International Secretariat through their financial crisis.

**Section Free Reserves** represent reserves that are unrestricted and undesignated. The target range of free reserves for the Section is £2.8 to £3.8m. Free reserves at 30 June 2019 are currently below the target range at £2.2m, pending receipt of grant income anticipated to be received in Q3. The forecast receipt of grant income is the main factor behind the forecast increase in free reserves to £2.8m at the year-end.

**Long-term financial plans** - The 2020 budget and long-term financial plan will seek to place Section free reserves in line with our target range throughout the strategic period ending 31 December 2021.

	Summary Balance Sheet For the period ended June-19		Summary Balance Sheet Forecast 2019	
	2019 JUNE	Year to date movement	2019 December	Full year 2019 movement
	£000's	£000's	£000's	£000's
<b>Total Fixed Assets</b>	<b>4,088</b>	<b>(68)</b>	<b>4,108</b>	<b>(48)</b>
<b>Net Current Assets</b>	<b>2,133</b>	<b>(909)</b>	<b>2,804</b>	<b>(238)</b>
Intercompany Balances	149	(815)	149	(815)
<b>Net Assets</b>	<b>6,370</b>	<b>(1,792)</b>	<b>7,061</b>	<b>(1,101)</b>
<b>Reserves</b>				
Undesignated	2,224	(1,725)	2,793	(1,155)
Designated	4,088	(68)	4,108	(48)
<b>Total Unrestricted</b>	<b>6,311</b>	<b>(1,793)</b>	<b>6,901</b>	<b>(1,203)</b>
Restricted	58	0	160	102
Endowment	0	0	0	0
<b>Total Reserves</b>	<b>6,370</b>	<b>(1,792)</b>	<b>7,061</b>	<b>(1,101)</b>



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### Combined figures summary table

The below table shows the combined figures of the Section the Charitable Trust. It is presented to members for illustrative purposes only.

Income & expenditure statement for the 6 months ending June 2019		Year to date			Full Year			Previous
		Actual	Budget	vs Budget	Forecast	Budget	vs Budget	Actual
Net fundraising and other income	Fundraising income	14,133	14,541	- 407	28,466	28,690	- 224	29,156
	Fundraising expenditure	(2,156)	(2,639)	+ 483	(4,953)	(5,154)	+ 201	(4,907)
	Fundraising salaries	(1,140)	(1,093)	- 47	(2,280)	(2,257)	- 23	(2,166)
	<b>Fundraising net income</b>	<b>10,837</b>	<b>10,809</b>	<b>+ 28</b>	<b>21,234</b>	<b>21,279</b>	<b>- 45</b>	<b>22,083</b>
	Other income	271	205	+ 66	547	439	+ 108	452
	<b>Total net income</b>	<b>11,108</b>	<b>11,014</b>	<b>+ 94</b>	<b>21,781</b>	<b>21,718</b>	<b>+ 63</b>	<b>22,534</b>
Non fundraising expenditure	International movement	(4,621)	(4,773)	+ 152	(9,928)	(9,547)	- 381	(10,181)
	Salaries	(3,850)	(3,838)	- 13	(7,860)	(7,704)	- 155	(7,564)
	Corporate Services	(1,034)	(1,128)	+ 94	(2,406)	(2,658)	+ 252	(2,362)
	Supporter Campaigning	(1,223)	(1,455)	+ 232	(2,630)	(2,573)	- 57	(2,415)
	CE's Office	(99)	(143)	+ 44	(328)	(315)	- 13	(291)
	Directorate	(42)	(68)	+ 26	(70)	(90)	+ 20	(94)
	<b>Total non-fundraising expenditure</b>	<b>(10,869)</b>	<b>(11,405)</b>	<b>+ 536</b>	<b>(23,222)</b>	<b>(22,888)</b>	<b>- 334</b>	<b>(22,908)</b>
<b>Surplus/(Deficit)</b>	<b>239</b>	<b>(391)</b>	<b>+ 630</b>	<b>(1,441)</b>	<b>(1,170)</b>	<b>- 271</b>	<b>(374)</b>	

### Notes to the Report

#### Rounding

- Precise figures are used to generate the report but figures are displayed as rounded to the nearest £1k.

#### Income and Expenditure

- All Income is displayed as a positive number.
- All expenditure is displayed in brackets.
- A bottom line surplus is therefore shown as positive, and a bottom line deficit is shown in brackets.

#### Variations

- All variances which are gains to the business are shown as + ve. i.e. higher income or lower expenditure than budget.
- All variances which are negative to the business are shown as - ve and displayed in Red i.e. lower income or higher expenditure than budget.