



Draft and unaudited Amnesty International United Kingdom Section Financial Report to Members: Year to 31 December 2020

Welcome

Welcome to the finance report for Amnesty International United Kingdom Section (Section) members for the 12 months ended 31 December 2020. The main body of this report presents Section figures and narrative.

This is the fourth report to Members since the onset of the Covid-19 crisis. The organisation has worked hard to understand the impact of the crisis on our finances, and during the first quarter of the year reviewed all items of income and expenditure to create a new re-based budget for 2020, by taking into account known impacts and making informed assumptions about the rest of the year. Budget comparisons in this report use this re-based budget.

A full set of audited accounts is available on the website.

We have also included a summary of the Amnesty International UK Section Charitable Trust (Trust) financial performance in 2020 at the end of the report, for illustrative purposes only. Feedback and questions can be sent to: financecontact@amnesty.org.uk

Income and Expenditure Summary

Income & expenditure statement for the 12 months ending December 2020		Full Year			Full Year		
UNRESTRICTED		Actual	Rebased Budget	vs Rebased Budget	Q3 Forecast	Actuals vs Q3 Forecast	2019 Actuals
Net fundraising and other income	Fundraising income	9,064	8,725	339	8,694	370	9,741
	Fundraising expenditure	(1,210)	(1,455)	246	(1,358)	148	(1,711)
	Fundraising salaries	(1,013)	(810)	(203)	(766)	(247)	(918)
	Fundraising net income	6,842	6,460	382	6,571	271	7,113
	Other income	461	482	(22)	441	20	248
	Grant Income from the Trust	4,048	4,048	0	4,048	0	3,447
Total net income		11,351	10,990	361	11,060	291	10,808
Non fundraising expenditure	International movement	(174)	(163)	(11)	(174)	0	(501)
	Non Fundraising Salaries	(5,782)	(5,835)	53	(5,963)	181	(6,071)
	Corporate Services	(2,217)	(2,131)	(86)	(2,127)	(89)	(2,269)
	Supporter Campaigning	(1,841)	(1,761)	(81)	(1,638)	(204)	(2,398)
	CE's Office	(17)	(186)	168	(60)	43	(141)
	Directorate	(11)	(21)	11	(17)	6	(64)
Total non-fundraising expenditure		(10,043)	(10,097)	54	(9,980)	(63)	(11,445)
Unrestricted Surplus/(Deficit)		1,308	893	415	1,080	228	(637)

Income & expenditure statement for the 12 months ending December 2020		Full Year			Full Year		
RESTRICTED		Actual	Rebased Budget	vs Budget	Q3 Forecast	Actuals vs Q3 Forecast	2019 Actuals
	Restricted Grant income from the Trust	158	0	158	236	(79)	327
	Other restricted income	46	0	46	62	(16)	135
	Total restricted income	204	0	204	298	(94)	462
	Non Fundraising Salaries	(99)	(113)	14	(201)	102	(156)
	Supporter Campaigning	(65)	0	(65)	(31)	(34)	(53)
	CE's Office	(145)	(31)	(114)	(59)	(86)	(73)
Total restricted expenditure		(309)	(144)	(165)	(291)	(18)	(281)
Restricted - Surplus/(Deficit) - movement in restricted reserves		(105)	(144)	38	7	(112)	181
Total restricted and unrestricted Surplus/(Deficit)		1,203	750	453	1,087	116	(457)

The table above splits unrestricted and restricted figures and provides aggregated totals beneath. The aggregated outturn surplus of £1.2m is £0.5m better than the rebased budget, £0.1m better than forecast, and £1.7m better than 2019. The restricted deficit was a result of spending restricted funds brought forward from 2019.



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The aggregated net income of £11.6m in 2020 was £0.6m better than re-based budget, and £0.3m better than 2019. Total aggregated non-fundraising expenditure of £10.4m was £0.1m more than re-based budget, but £1.4m less than 2019.

2020 key financial events

Covid-19 restrictions impacting activities

Social Giving and Retail - We did not escape the impact of Covid-19 in 2020, and there was a negative impact on Retail performance, the full year income of £508k was £161k lower than the re-based budget and £516k lower compared to 2019.

Conferencing income –Covid-19 Restrictions also had a very significant impact on conference space rental income with no income possible following socially distanced for much of the year, and more so than anticipated in the re-based budget. The full year income of £77k is £246k lower than was received in 2019. (Shown in other income in the table above)

Covid-19 support income from the job retention scheme and retail support grants offset this shortfall providing a total of £335k additional income in 2020. (Shown in other income in the table above)

Other expenditure - Lockdowns and remote working led to some significant savings in 2020. For example, the virtually held AGM saved over £150k in comparison to 2019. Staff and activist travel expenditure was also greatly reduced with travel spend approximately 80% lower than 2019. Spending on staffing was lower as we froze recruitment for much of the year. This lower expenditure in comparison to previous years was key to us remaining confident that we were on a sustainable footing during a year of great uncertainty.

Income sustained through the crisis

Income from members – Our existing membership maintained their financial support with significantly lower cancellation rates than in recent years, and we had a good year for recruiting new members with our digital activity performing especially well. This led to £0.3m more income than we anticipated at the outset of the crisis in the re-based budget and will be of long-term benefit to the Section.

Grants income from the Trust – A total of £4.0m in grants from the Trust to fund our human rights work in 2020 was received by the Section, a planned increase on the £3.4m received in 2019. This continued and increased support at a time when the Trust was also in a period of much uncertainty was hugely important.

A significant surplus helped to build reserves

All these things taken together contributed to a full year surplus of £1.2m. That surplus translated into an improved cash and reserves position with the Section ending the year with £4.6m in cash (2019: £3.7m) and free reserves of £4.7m (2019: £3.3m).

During 2020 Section Board approved a revised target range of free reserves (reserves that are unrestricted and undesignated) for the Section of £3.9m - £4.4m, an increase from the prior target range of £2.8 to £3.8m. That increase reflects our view that the Section is facing increased risk. Our £4.7m of free reserves at 31 December 2020 are £0.3m above our target range. This improved position has increased the financial resilience of the Section and will place us well to meet uncertainties ahead.



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Summary Balance Sheet For the period ended December-20

	2019 December	2020 DECEMBER	Year to date movement
	£000's	£000's	£000's
Total Fixed Assets	4,067	3,987	(80)
Cash	3,674	4,605	931
Other Current Assets	1,248	683	(565)
Current Liabilities	(1,320)	(1,124)	196
Net Current Assets	3,602	4,164	562
Intercompany Balances	7	727	720
Net Assets	7,676	8,878	1,202
Reserves			
Undesignated	3,348	4,736	1,387
Designated	4,067	3,987	(80)
Total Unrestricted	7,415	8,723	1,308
Restricted	261	155	(105)
Total Reserves	7,676	8,878	1,202

The 2021 budget and free reserve projections to 2022

The Section board approved a £44k surplus unrestricted budget and £102k restricted deficit budget for 2021.

Income & expenditure statement for the 2021 Budget		Full Year			
UNRESTRICTED		2021 Budget	2020 Actuals	Change	2019 Actuals
Net fundraising and other income	Fundraising income	9,178	9,064	114	9,618
	Fundraising expenditure	(1,618)	(1,210)	(408)	(1,711)
	Fundraising salaries	(800)	(1,013)	212	(795)
	Fundraising net income	6,759	6,842	(83)	7,112
	Other income	135	461	(325)	450
	Grant Income from the Trust	2,950	4,048	(1,098)	3,447
Total net income		9,845	11,351	(1,506)	11,009
Non fundraising expenditure	International movement	(86)	(174)	88	(501)
	Non Fundraising Salaries	(6,145)	(5,782)	(362)	(6,194)
	Corporate Services	(2,041)	(2,217)	175	(2,269)
	Supporter Campaigning	(1,362)	(1,841)	479	(2,398)
	CE's Office	(110)	(17)	(93)	(141)
	Directorate	(56)	(11)	(45)	(64)
Total non-fundraising expenditure		(9,801)	(10,043)	242	(11,568)
Unrestricted Surplus/(Deficit)		44	1,308	(1,264)	(559)

Income & expenditure statement for the 2021 Budget		Full Year			
RESTRICTED		2021 Budget	2020 Actuals	Change	2019 Actuals
Total restricted income		108	204	(96)	384
Total restricted expenditure		(210)	(309)	100	(281)
Restricted - Surplus/(Deficit) - movement in restricted reserves		(102)	(105)	3	102
Total restricted and unrestricted Surplus/(Deficit)		(58)	1,203	(1,261)	(457)



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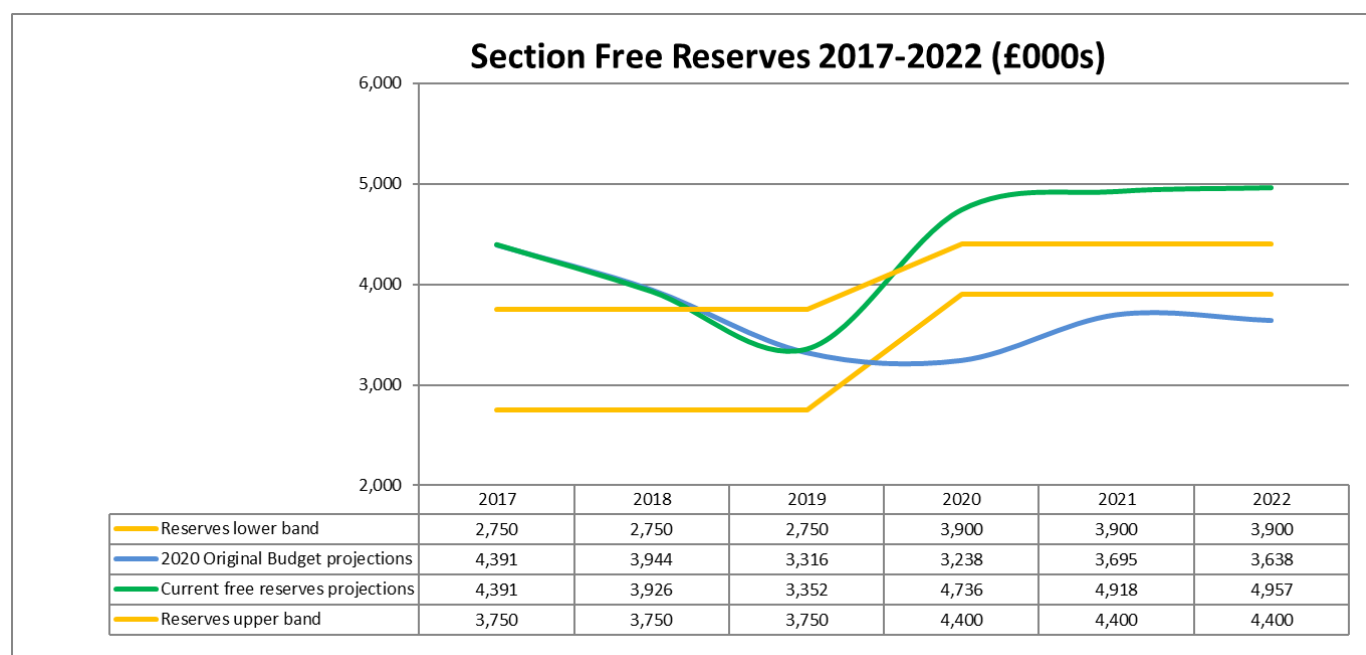
The budget will enhance our future **financial stability**, this budget will place the Section toward the upper end of the target range of free reserves and support longer-term sustainable finances.

The budget will enable us to **maintain our campaigning** on crisis and individuals at risk. We will develop our tactical campaigns in line with IS priorities relating to Covid, including on vaccines and on the gig economy.

The budget will allow significant new investment in **technology** including: IT security and infrastructure; completing an upgrade of our HR systems; and scoping our future requirements for a Supporter Database

This budget allows less funds for **digital development** but will still allow us to retain visibility of our campaigns, utilising the investments we have already made in our website and in our brand and communications strategy.

The approved budget for 2021, and projections thereafter will seek to place Section free reserves in line with our target range throughout the period ending 31 December 2022. The graph below shows (in green) our current free reserve projections, which we anticipate will remain slightly above our target range of free reserves (in yellow) through to the end of 2022. This is a marked improvement on projected free reserves in the original 2020 budget (in blue).



Significant uncertainties and challenges remain. We have undertaken risk analysis across all lines of income in the Section and have developed more regular monitoring of performance to enable informed and quick reaction to mitigate any negative impacts of the Covid-19 crisis. These higher free reserve levels will enable us to make strategic investments and give us time to react and change plans if we start to see a worsening of our financial position.



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Trust financial performance 2020 - for information only

The following table details the financial performance of Amnesty International UK Section Charitable Trust, an independent charity. The Trust outturn is for a £1.5m unrestricted deficit. Whilst £0.2m larger than envisaged, this deficit was planned as the Trust used higher than target reserves to grow and maintain charitable grants during 2020. These figures are provided for illustrative purposes only as the Trust is a key supporter of the Section.

Income & expenditure statement for the 12 months ending December 2020		Year to date			Full Year		
UNRESTRICTED		Actual	Rebased Budget	vs Budget	Q3 Forecast	Actuals vs Forecast	2019 Actuals
Net fundraising and other income	Fundraising income	17,678	17,321	357	17,467	210	17,712
	Fundraising expenditure	(2,581)	(2,941)	359	(2,873)	292	(2,776)
	Fundraising salaries	(1,140)	(1,427)	287	(1,427)	287	0
	Fundraising net income	13,957	12,953	1,003	13,167	789	14,937
	Other income	(0)	26	(26)	9	(9)	44
Total net income		13,956	12,979	978	13,176	780	14,981
Non fundraising expenditure	International movement	(8,845)	(8,142)	(704)	(8,232)	(613)	(8,703)
	Trust Human Rights grant	(4,048)	(4,048)	(0)	(4,048)	(0)	(3,447)
	Non Fundraising Salaries	(2,100)	(1,847)	(253)	(1,847)	(253)	(3,208)
	Corporate Services	(291)	(45)	(246)	(43)	(249)	(55)
	Supporter Campaigning	(72)	(110)	37	(111)	38	(118)
	CE's Office	(28)	(46)	19	(45)	18	(0)
	Directorate	(1)	0	(1)	0	(1)	0
Total non-fundraising expenditure		(15,385)	(14,238)	(1,147)	(14,326)	(1,060)	(15,531)
Unrestricted Surplus/(Deficit)		(1,429)	(1,260)	(170)	(1,150)	(280)	(550)

Income & expenditure statement for the 12 months ending December 2020		Year to date			Full Year		
RESTRICTED		Actual	Rebased Budget	vs Budget	Q3 Forecast	Actuals vs Forecast	2019 Actuals
	Restricted income	1,483	1,204	279	1,489	(6)	727
	Other Restricted Expenditure in Trust	0	0	0	0	0	0
	Grant to the International Movement	(391)	(561)	171	(486)	96	(546)
	Grant to the UK Section	(158)	0	(158)	(236)	79	(125)
	Total restricted expenditure	(548)	(561)	13	(723)	174	(671)
Restricted - Surplus/(Deficit) - impact on restricted reserves		934	643	292	766	168	56
Total restricted and unrestricted Surplus/(Deficit)		(495)	(617)	122	(383)	(111)	(494)

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.

Variances

- 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.