



Amnesty International  
United Kingdom

**COMBINED  
FINANCIAL  
STATEMENTS**

for the year ended 31 December 2013



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# COMBINED FINANCIAL STATEMENTS

for the year ended 31 December 2013

## Amnesty International United Kingdom Section – a company limited by guarantee

Company reg. number 1735872  
Date of incorporation 30 June 1983

### Board members

Sarah Jane O'Grady - Chair (re-elected to Board 10 May 2013; appointed Chair 21 September 2013)

Cris Burson-Thomas - Treasurer

Hannah Perry - Vice Chair

Rona Bella Keen

Tom Hedley

Gareth Harrison Littler

Brian Paton Gilda

Hugh David Whitby

Katherine McSherry

Louise Ewington (elected 10 May 2013)

Ruth Breddal (elected 10 May 2013)

Sarah Ward (appointed 13 July 2013)

Brian Landers (resigned 25 April 2013)

Sharmila Kar (resigned 10 May 2013)

Peter James Murray (resigned 10 May 2013)

Collette Anne Crill (resigned 10 May 2013)

Ciarnan Helferty (resigned 12 August 2013)

## Amnesty International (UK Section) Charitable Trust – a company limited by guarantee

Company reg. numbers –

England and Wales 1051681

Scotland SC039534

Company reg. number 03139939

Date of incorporation 16 December 1995

### Board of trustees

David Norgrove (Chair)

Cris Burson-Thomas, Treasurer (appointed 10 May 2013)

Gareth Harrison Littler

Sarah O'Grady

Livia Aliberti (appointed 1 February 2014)

Emma France (appointed 1 February 2014)

Bridget Lindley (appointed 1 February 2014)

Gareth Davies (appointed 1 February 2014)

Brian Landers (resigned 25 April 2013)

Stuart Hathaway (resigned 5 June 2013)

Angela Crack (resigned 18 July 2013)

Grainne Walsh (resigned 18 July 2013)

Ciarnan Helferty (resigned 12 August 2013)

## Amnesty Freestyle Limited – a company limited with share capital

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

### Board of directors

Kate Allen

Tom Hedley

Kerry Mosconiuri

Tony Farnfield

Brian Landers (resigned 25 April 2013)

### Secretary and Registered office

Iain McSeveny

The Human Rights Action Centre

17-25 New Inn Yard

London EC2A 3EA

Tel: 020 7033 1500

email: [financecontact@amnesty.org.uk](mailto:financecontact@amnesty.org.uk)

### Bankers

Co-operative Bank plc

9 Prescott Street

London E1 8BE

### External auditors

BDO LLP

2 City Place

Beehive Ring Road

Gatwick RH6 0PA

### Internal auditors

Sayer Vincent

8 Angel Gate

City Road

London EC1V 2SJ

### Solicitors

Bates, Wells & Braithwaite

2-6 Cannon St

London EC4M 6YH

# REPORT OF THE BOARDS

## Structure, governance and management

### INTRODUCTION

The Boards have pleasure in presenting this report on the affairs of all the organisations within the Amnesty International United Kingdom (AIUK) 'family' together with the pro forma combined audited financial statements for the year ended 31 December 2013. Details about the three entities involved and their legal status are shown on the inside cover. These combined financial statements do not represent the statutory financial statements of any of the individual organisations; separate financial statements are prepared for each.

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

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

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

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

The movement consists of independent sections throughout the world and an International Secretariat (IS) in London which coordinates the worldwide movement and provides support for global governance structures. The IS consists of two companies – Amnesty International Limited and Amnesty International Charity Limited.

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

AIUK consists of two main legal entities:

- **Amnesty International United Kingdom Section ("UK Section")** a membership organisation whose policy and priorities are set, within the context of decisions of the International Council of Amnesty International, by the members at the Annual General Meeting. The UK Section pursues the objectives of the movement in the United Kingdom by campaigning for observance, and opposing violations, of human rights. In August 2006 the UK Section acquired Amnesty Freestyle Limited, a trading company.
- **Amnesty International (UK Section) Charitable Trust ("UK Trust")**: the UK Trust meets its charitable objectives by funding Amnesty International Limited to conduct its worldwide research into the observance and abuses of human rights. It also part-funds projects undertaken by the UK Section.

## Governance

### i) UK SECTION

The UK Section is a membership based Company Limited by Guarantee, governed by a Board of 15 individual members, 12 of whom are elected by the membership. The Board has the power to co-opt three places on the basis of a skills audit of the existing Board members to ensure the most appropriate Board qualities are obtained. It has permission from the Registrar of Companies to omit 'Limited' from its title. Its Board is elected by its members. The Board appoints the Trustees of the UK Trust and the Directors of Amnesty Freestyle Limited, a trading company acquired by the UK Section in August 2006.

### ii) UK TRUST

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

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

The Board of UK Section, the Board of Trust, and members

of the Finance Sub-Committee give their time voluntarily and received no benefits. Further details of the respective responsibilities of the Boards can be found in the published accounts of each individual body.

## Objectives and activities

### KEY OBJECTIVES AND STATEMENT OF BENEFITS

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

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

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

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

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

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

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

Some of the benefits described in our activities and achievements below are more obvious, for example, protecting individuals at risk of human rights abuse or securing the release from custody of human rights defenders.

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

### KEY ACTIVITIES UNDERTAKEN BY STAFF, VOLUNTEERS AND ACTIVISTS

AIUK currently employs the equivalent of 157 full-time salaried staff (see note 10) based in offices in London, Belfast, and Edinburgh. This is a relatively small part of

the Amnesty movement in the United Kingdom, as many activities are undertaken by unpaid activists and volunteers.

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

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

## Strategic Report

The Boards of AIUK are pleased to approve the following Strategic Report in their capacity as company directors.

AIUK is committed to transparency and accountability in all its operations. A full description of how the organisations are governed, managed and funded, the nature of our work and the extent of our impact, is available in the Amnesty International UK Annual Report, which is published on our website every year. See: [www.amnesty.org.uk](http://www.amnesty.org.uk).

### 1. ACHIEVEMENTS AND PERFORMANCE Individuals at risk of human rights abuse

In March we celebrated the 40th anniversary of the first ever Urgent Action (UA). The priority of UAs is to protect human life by using emails, faxes and air mail to appeal in the fastest way possible to those who have the power of life and death. The first UA was for Brazilian trade unionist Luiz Basilio Rossi in 1973. He said after his release: 'I knew that my case had become public. I knew they could no longer kill me.' The UA network which has nearly 14,000 members in the UK tackles up to 400 new cases and 300 updates each year. Successes this year included a mother and her two daughters held in Papua New Guinea by a group that accused them of practising 'sorcery' who were freed in May and human rights activist Mansour al-Omari working for the Syrian Centre for Media and Freedom of Expression, which reports on human rights violations against journalists, released from prison in February 2013.

### Refugees and asylum-seekers

Home Office statistics show that as many as 25 per cent of initial decisions to refuse asylum are overturned on appeal – testament to on-going problems with the asylum decision-making process. This year Amnesty and the Still Human Still Here coalition decided to examine a randomly selected sample of cases concerning asylum applicants from four countries with particularly high appeal overturn rates: Syria, Sri Lanka, Iran and Zimbabwe. After analysing the refusal letters and appeal determinations, we concluded that in more than four-fifths of cases, the reason for a wrong decision being made in the first instance was a flawed credibility assessment. Some case workers would identify a minor inconsistency or a lack of documentary evidence, and then dismiss everything else in the applicant's case. We published our findings, with a set of recommendations for improving the process in a report, "A question of credibility: Why so many initial asylum decisions are overturned on appeal in the UK". We continue to work with the Home Office on these recommendations.

### Control Arms

What started out in 1993 as a ‘far-fetched idea’ has become a reality because of the efforts of millions of ordinary people. After 20 years of campaigning, on 2 April 2013, a comprehensive Arms Trade Treaty (ATT) was voted into existence at the United Nations by 156 countries. We hope that the treaty, a legally binding international agreement, will regulate the transfer of conventional weapons around the world – reducing conflict, saving lives and averting at least some of the serious human rights violations that accompany armed conflicts. The treaty represents a huge vindication of the dogged campaign carried out by Amnesty International and others to curb the international trade in arms. The treaty’s adoption at the UN is not the end of the story. At least 50 states need to ratify the treaty to make it international law. At present only eight, mostly small, countries have formally ratified the ATT. With vigilance and good faith this treaty is capable of saving many, many lives. All those who worked for it should feel proud.

### Corporate social responsibility

There was a celebration in August 2013 when indigenous people in the state of Orissa, India, blocked plans by British based Vedanta Resources to open a bauxite mine in the Niyamgiri Hills. All 12 village councils rejected the project. For nearly a decade the 8,000-strong Dongria Kondh community has opposed attempts to mine the land on which they rely for survival. With international support, including from Amnesty, the affected communities created a formidable force in defence of their rights. Amnesty’s research and activism made a vital contribution, raising awareness around the world and providing solid evidence to counter Vedanta’s defective environmental assessments.

2013 started on a high note for all of us who work for justice for the victims of oil spills. At the very end of last year, the Economic Community of West African States (ECO WAS) Court found the Nigerian government and six oil companies responsible for years of pollution in the Niger Delta. The historic judgement sent a message of hope to the tens of thousands of people whose farming and fishing livelihoods have been destroyed. The court ordered the Nigerian government to hold the oil companies to account, but this is easier said than done. The oil companies wield tremendous influence and often deny their responsibility for oil spills. Royal Dutch Shell, in particular, defends pollution by claiming that the vast majority of spills are caused by sabotage and theft of oil. To help push for implementation of the ECO WAS judgement, Amnesty worked with a local organisation to research and expose Shell’s manipulation of oil spill investigations. Our report, published in November 2013, uncovers specific cases in which Shell wrongly reported the cause of oil spills, the volume of oil spilt, or the extent and adequacy of clean-up measures.

### Country Campaigning

SYRIA: In June 2013 Amnesty hosted 16 leading activists from the Syrian Non Violence Movement (SNVM) at an intensive weekend of training in campaigns strategy and organisation. The focus was on how to ensure human rights values are central to the new society that emerges after the conflict is over – by promoting the rule of law, security sector reform, equality, and human rights education. Every day the SNVM, which maintains an office in Syria, supports victims and survivors of the conflict. One of their key projects aims to protect children. They also use media to promote the ideals of non-violent resistance and human rights.

Amnesty International has a regular presence on the ground in Syria. At great personal risk, Amnesty’s researchers speak to victims and their families and visit refugee camps, gathering first-hand evidence of atrocities committed by pro-government forces and armed opposition groups.

AFGHANISTAN: Thanks to the thousands of Amnesty supporters who signed petitions and lobbied their MPs, the UK government is stepping up its support for women in Afghanistan. In March, International Development Secretary Justine Greening came to Amnesty’s Human Rights Action Centre in London to deliver a keynote speech for International Women’s Day. She said Afghan women’s rights would henceforth be a strategic priority for her department and greater emphasis would be put on initiatives to tackle violence against women and girls. In July, three young Amnesty activists presented a 19,000-signature petition to Foreign Office minister Baroness Warsi, who found them ‘inspiring’. In a press release, the Foreign and Commonwealth Office praised Amnesty’s campaign and said the UK had a long-term commitment to working to improve the role and status of women and girls in Afghanistan.

### Human Rights Education

TEACH RIGHTS: Thousands of UK teachers belong to Amnesty’s TeachRights network. This gives access to an unrivalled collection of lesson plans and teaching materials which make it easy to bring human rights into the classroom. New in 2013 was The Power of the Pen, a learning pack which engages students in literacy across the curriculum. It has proved a compelling way for pupils to explore global issues and build skills in literacy and self-expression. Different versions are available for secondary and for older primary school students.

INSPIRING SPEAKERS: Many a young person’s lifelong engagement with Amnesty begins when they hear one of our trained volunteer speakers at their school. More than 150 speakers are available to give talks, lessons, workshops or whole day events tailored to the individual school’s requirements. They reach 27,000 school students a year.

YOUTH GROUPS: After hearing one of our speakers, students often go on to join one of our 500 youth groups across the UK – or start their own. Youth groups can have a big impact on their schools and those they campaign for by organising events, assemblies and gigs, fundraising, lobbying MPs, writing letters, making films, and getting great media coverage.

### Activities in Scotland and Northern Ireland

As well as the Human Rights Action Centre in London, Amnesty has staffed offices in Belfast and Edinburgh. We do this to ensure that the Amnesty’s work is co-ordinated and represented in these nations.

### Policy and government affairs

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



## Media

Our media team help spread Amnesty's message through all forms of media, old and new. Recent evaluations have shown that our message reaches 78% of UK adults.

## Global research projects

The Trustees part-funded around 200 research projects undertaken by the Amnesty International movement, under the terms of grant agreements supported by a formal Memorandum of Understanding. We funded global projects co-ordinated by Amnesty's international secretariat covering a wide range of human right areas including:

- corporate accountability
- maternal health and sexual rights
- slums and forced eviction
- refugees and migrants
- arms control
- unlawful detention
- international justice
- criminal justice
- freedom of expression
- discrimination
- abuse against civilians in armed conflict
- crisis response

We also funded work undertaken by Amnesty offices in other countries and projects that help the Amnesty movement grow and develop a presence in more countries.

A full account of the work undertaken world-wide by Amnesty International can be found on: [www.amnesty.org](http://www.amnesty.org)

## Recruiting and retaining Amnesty supporters

Amnesty International draws its political and financial strength from the fact that it is a membership organisation. This defines the way it works and gives it legitimacy, creativity and a truly human perspective. We need more supporters for two reasons: to develop human rights activists and to provide secure income streams into the future. Both of these help to increase our impact and effectiveness. This recruitment activity continues to generate future income as well as adding to the pool of those able to take action on human rights abuses. For this reason the Board of UK Section has decided to allocate recruitment costs between Costs of Generating Voluntary Income and Expenditure in Pursuit of Objectives on a 60/40 ratio.

At the end of December 2013 the number of regular Section givers was 126,016. In comparison at December 2012 we had 132,849 regular Section givers (of whom we retained 90%). In 2013 the Acquisition team recruited 4,439 new Section givers, exceeding the target of 3,885.

At end of December 2013 the number of regular Trust givers was 48,437. In comparison at December 2012 we had 50,880 regular Trust givers (of whom we retained 85%). In 2013 the Acquisition team recruited 7,292 new regular Trust givers, below the target of 14,547.

Taking into account the number of supporters who left us during the year we now have 208,000 financially active supporters (regular and non-regular givers) at the end of the year compared to 217,000 at the start. On a positive note we did finish the year strongly with almost 2,300 new financial supporters recruited in December alone including 750 through the internet and a further 275 from our in-house street fundraising team. We hope to build on this in 2014.

## 2. FINANCIAL REVIEW

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

### WHAT WE PLANNED FOR THE YEAR ENDED 31 DECEMBER 2013

At the beginning of the year the Board of AIUK agreed a budget deficit for 2013 of £220k which was to be funded from our surplus free reserves of £1.5m. We forecast income to fall in 2013; we were fortunate to receive several large legacy amounts towards the end of 2012 and did not feel it prudent to budget for similar amounts in 2013. We also anticipated a drop in income from existing supporters as we recognised it would be difficult in the current economic climate to recruit sufficient supporters, in a cost effective manner, to replace those who would leave us during the year.

### PERFORMANCE DURING THE PERIOD

During the year we began publishing quarterly reports on AIUK's website to keep members up to date on our financial performance. In addition, a draft and unaudited summary of our projected 2013 financial outturn was included in the Treasurer's report sent to members in the papers circulated in advance of the AGM to be held in April. At that time, taking into account an interim £1.5m part-payment of our 2014 grant, we were projecting a surplus in the region of £800k for the year.

We can now confirm our outturn for the year will show a surplus of £457k. Some legacy income, anticipated in 2013, will now be recognised in our 2014 financial year. This is significantly better than we budgeted due to three main factors:

- a one-off savings exercise undertaken in the second quarter of the year in response to lower income forecasts early in the year and the additional cost due to the delay in the implementation of the cost and priorities programme (see below),
- better than expected legacy income between May and September,
- underspends on some planned fundraising initiatives where we did not feel there would be sufficient financial returns.

Comparing our financial performance to the previous year our income fell by 4% compared to 2012. Excluding the effect of the Secret Policeman's Ball (we held one in 2012 but none in the current year) our income for the year fell by 0.6%, however it was 1.6% higher than we had budgeted. Our voluntary income decreased slightly during the year despite improved performance on grants and legacy income. However this was offset by the reduction in income from members and supporters.

Excluding the investment in the Ball in 2012 our fundraising expenditure was around 10% lower than the previous year mainly due to lower spend on recruiting new supporters. The Board's Finance Sub Committee monitors the financial returns on all of our fundraising activities and members can also refer to the Income Monitoring section in our quarterly members' report. During 2013 where fundraising activities were not providing a sufficient financial return we did not make the planned investment.

The total amount we spent on human rights campaigning, activism and research increased by 3.8% during 2013 to almost £18 million. As discussed above, this includes an interim payment of £1.5m towards our undertaking to the international Amnesty movement for 2014. This is not an extra or higher payment; we will reduce our 2014 grant by the corresponding amount.

### **COST AND PRIORITIES PROGRAMME**

It is the intention of the global Amnesty movement based on discussions and decisions taken at recent bi-annual International Council Meetings to increase the amount of funds available to global human rights work, in particular in the global south and east, between now and 2021. In 2012 we contributed 30% of our income to the global movement, and in 2013 this increased to 34%. Between 2014 and 2021 this will gradually increase to 40%. The Board has been considering how to meet its increasing undertakings to the international movement while maintaining a strong human rights campaigning presence in the UK. In order to address these challenges, while maintaining financial stability, the Board agreed in 2012 to a cost and priorities programme to remove £2.51m from our annual cost base. The programme comprised two phases. Phase 1 involved identifying around £1.23m of savings mostly from operational costs and included a cost of living freeze for 2013. Phase 2 looked at a further £1.23m of savings primarily from a reduction in staff headcount, and a further cost of living freeze in 2014.

The Board were under no illusions that it was a difficult decision and that it would be a painful process to implement the proposals. Membership concerns led to an EGM held in January which decided that the proposals required further scrutiny and discussion at the AGM in April. At the AGM the decision was taken to delay any substantive implementation until after the outcome of discussions at Amnesty's International Council Meeting in August. During the final quarter of the year the programme was implemented, and the Board was pleased to see all staff redundancies being by voluntary means.

The total cost of implementing the cost and priorities programme was £959k; £136k was incurred in 2012 and £823k in 2013. Of the overall total, £706k were redundancy costs and £122k were consultant's costs. Before the cost savings programme we were projecting 2014 salary costs of £8.2m. The projection for 2014 is now £7.6m and we expect similar levels of savings in future years. Further details of the redundancy costs are shown in note 10 to the accounts. The other costs are included in Support Costs shown under note 9 to the accounts. The implementation of the cost and priorities programme, with lower staff costs and operating costs, means that we have enhanced the financial projections of AIUK through to 2018/19.

### **CORPORATE RELATIONS**

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

### **FINANCIAL INDEPENDENCE**

Amnesty International is independent of any government, political ideology, economic interest or religion. It does not support or oppose any government or political system, nor

does it necessarily support the views of the victims whose rights it seeks to protect. To ensure our independence, we do not seek or accept money from governments or political parties. In no way do monies received from corporate donors influence or affect our ability to campaign.

### **INVESTMENT POLICY**

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

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

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

### **3. PLANS FOR FUTURE PERIODS – 2014 BUDGET AND BEYOND**

The Finance Sub Committee met during November and recommended the 2014 budget to the Board who subsequently approved it at their meeting in December. The approved budget deficit of £0.7m is largely driven by the movement's desire to gradually increase funds available to the global movement between now and 2021.

However the need for a conservative approach is thought to be paramount as some key sources of our fundraising income are still lagging behind and overall we are losing more members than we recruit. Although we have recently had two good years for legacy income we cannot assume that this will continue forever, and we must continue to find new and profitable ways to fundraise. We have created a separate fundraising directorate focussing solely on our income and added a post to our Senior Management Team to give greater emphasis to fundraising in a difficult economic climate. Just as importantly we need to ensure that the painful cost savings we have made are maintained.

The Board will work with the Senior Management Team to ensure that we maintain our current level of financial investment in vibrant human rights campaigning and activism in the UK by carefully scrutinising both our income and expenditure to make best use of our funds, and continue to contribute to the international movement.

### **4. PRINCIPAL RISKS AND UNCERTAINTIES**

#### **OVERVIEW**

The Boards are aware of the need to assess the risks faced by the organisations and respond to manage those risks appropriately. In particular, we carried out a comprehensive risk identification, assessment and management analysis. A register of risks has been compiled, risks scored for likelihood and impact, and risk management strategies and timescales established. Individual senior managers are

nominated to take responsibility for each significant risk area.

The Board are currently reviewing how risk is managed within the organisation and the level of reserves that should be held in relation to the principal risks that we face. This work is due to be completed in the first half of 2014 and we will incorporate the outcome in our 2014 strategic report.

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

## MAJOR RISKS AND UNCERTAINTIES

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

### i) Regulatory compliance

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

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

### ii) Legal claim relating to website or publications content

The Boards are aware that there is a considerable and continual flow of communication via our website and written publications. Strategies to manage this risk include:

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

### iii) Political attack

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

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

- build and strengthen Amnesty as a democratic movement, that also engages effectively with the general public in the UK
- be open and transparent
- be independent of, but develop constructive

relationships with a broad range of political parties

- develop relationships with and earn the respect of the media.

### iv) Supporter retention

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

Strategies to manage the effects of this risk are:

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

## SYSTEMS AND PROCEDURES TO MANAGE OTHER RISKS

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

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

## 5. RESERVES POLICY

The Boards take a risk based approach to reserves, therefore our policy is to hold a minimum level of unrestricted free reserves sufficient to meet the quantification of the risks on the risk register.

As at 31 December 2013 the unrestricted free reserves (net current assets less the total of restricted funds, cash endowment funds and deferred grant payments) stood at £5.7 million.

The minimum free reserves are calculated on the basis of the financial impact and probability of the significant risks identified in the risk assessment, and amount to £3.7 million, equivalent to eight weeks of our current expenditures.

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

The surplus of free reserves at 31 December 2013 stood at £2 million. This includes legacy income of £1.1 million which had not been received at the year end.

## Auditors

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

## Thank You

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

**These financial statements are now approved by the Board and signed on its behalf by**

A handwritten signature in black ink, appearing to read 'Gareth Harrison Littler', written in a cursive style.

**Gareth Harrison Littler, Director**

**27 March 2014**

# REPORT OF THE INDEPENDENT AUDITORS OF AMNESTY INTERNATIONAL UNITED KINGDOM

## To the Boards of Amnesty International United Kingdom

We have audited the accompanying pro forma combined financial statements of the entities listed in Note 2 (together "the Organisation") (the "financial statements") for the year ended 31 December 2013 which comprise the Combined Statement of Financial Activities, the Combined Balance Sheet, the Combined Cash Flow Statement and the related notes. These financial statements have been prepared in accordance with the basis of accounting set out on page 17 and the accounting policies set out therein.

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

### RESPECTIVE RESPONSIBILITIES OF THE BOARDS AND AUDITORS

The Boards are responsible for preparing the annual report and the pro forma financial statements in accordance with the basis of accounting and the accounting policies set out on pages 17 to 18

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

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

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

### OPINION

In our opinion:

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



BDO LLP  
Gatwick  
United Kingdom

31 March 2014

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

# COMBINED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2013

	Note	Unrestricted Funds Dec-13 £000s	Restricted Funds Dec-13 £000s	Endowment Funds Dec-13 £000s	Total Funds Dec-13 £000s	Total Funds Dec-12 £000s
<b>Incoming resources from generated funds</b>						
<b>Voluntary income</b>						
Subscriptions and donations from members and supporters	3	16,069	144	-	16,213	17,486
Legacies	3	3,538	-	-	3,538	2,913
Gift Aid	3	1,399	-	-	1,399	1,396
Grants	3	-	653	-	653	190
<b>Total voluntary income</b>		<b>21,006</b>	<b>797</b>		<b>21,803</b>	<b>21,985</b>
<b>Activities for generating funds</b>	4	<b>2,775</b>	-	-	<b>2,775</b>	<b>3,566</b>
<b>Income from pursuit of objectives</b>	5	<b>164</b>	-	-	<b>164</b>	<b>202</b>
<b>Investment and other income</b>	6	<b>30</b>	-	<b>9</b>	<b>39</b>	<b>37</b>
<b>Total incoming resources</b>		<b>23,975</b>	<b>797</b>	<b>9</b>	<b>24,781</b>	<b>25,790</b>
<b>Expenditure</b>						
Cost of generating voluntary income	3	4,271	-	-	4,271	4,730
Activities for generating funds	4	1,825	-	-	1,825	3,328
<b>Total cost of generating funds</b>		<b>6,096</b>	-	-	<b>6,096</b>	<b>8,058</b>
<b>Expenditure in pursuit of objectives</b>						
Human rights campaigning	7	7,450	305	-	7,755	7,806
Research: human rights violations	7	8,273	427	-	8,700	7,817
Investment in activist recruitment	7	1,453	-	-	1,453	1,635
<b>Total expenditure in pursuit of objectives</b>		<b>17,176</b>	<b>732</b>	-	<b>17,908</b>	<b>17,258</b>
<b>Governance costs</b>	8	<b>320</b>	-	-	<b>320</b>	<b>524</b>
<b>Total resources expended</b>		<b>23,592</b>	<b>732</b>	-	<b>24,324</b>	<b>25,840</b>
<b>Net surplus/(deficit) for the year before revaluation</b>		<b>383</b>	<b>65</b>	<b>9</b>	<b>457</b>	<b>(50)</b>
<b>Unrealised (loss)/gain on revaluation of investment asset</b>	15	-	-	(30)	(30)	2
<b>Net movement on funds</b>		<b>383</b>	<b>65</b>	<b>(21)</b>	<b>427</b>	<b>(48)</b>
<b>Total funds brought forward</b>	15/16	<b>13,182</b>	<b>179</b>	<b>457</b>	<b>13,818</b>	<b>13,866</b>
<b>Total funds carried forward</b>	15/16	<b>13,565</b>	<b>244</b>	<b>436</b>	<b>14,245</b>	<b>13,818</b>

All amounts relate to continuing activities. There are no recognised gains or losses other than the deficit for the year. The notes on pages 17 to 28 form part of these financial statements.

# COMBINED BALANCE SHEET

at 31 December 2013

	Note	Dec-13 £000s	Dec-13 £000s	Dec-12 £000s	Dec-12 £000s
<b>Fixed assets</b>					
Tangible fixed assets	12	9,903		10,214	
Investments	12	<u>239</u>		<u>264</u>	
			<b>10,142</b>		<b>10,478</b>
<b>Current assets</b>					
Debtors	13	2,327		2,841	
Cash at bank and in hand		<u>5,041</u>		<u>4,318</u>	
		7,368		7,159	
<b>Creditors: amounts falling due within one year</b>	14	<u>(1,214)</u>		<u>(921)</u>	
<b>Net current assets</b>			<b>6,154</b>		<b>6,238</b>
<b>Creditors: amounts falling due after more than one year</b>	14		<b>(2,051)</b>		<b>(2,898)</b>
<b>Total net assets</b>			<u><b>14,245</b></u>		<u><b>13,818</b></u>
<b>Reserves</b>					
<b>Restricted</b>					
Endowment	15	436		457	
Grants	15	<u>244</u>		<u>179</u>	
			<b>680</b>		<b>636</b>
<b>Unrestricted</b>					
Undesignated	16	5,713		5,161	
Designated	16	<u>7,852</u>		<u>8,021</u>	
			<b>13,565</b>		<b>13,182</b>
<b>Total reserves</b>			<u><b>14,245</b></u>		<u><b>13,818</b></u>

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

27 March 2014



**Cris Burson-Thomas, Treasurer**

The notes on pages 17 to 28 form part of these financial statements.

# COMBINED CASH FLOW STATEMENT

for the year ended 31 December 2013

	Note	Dec-13 £000s	Dec-13 £000s	Dec-12 £000s	Dec-12 £000s
<b>Net cash inflow/(outflow) from operating activities</b>	<b>17</b>		<b>1,743</b>		<b>(274)</b>
<b>Returns on investment and servicing of finance</b>					
Interest received	6	39		37	
Interest paid	9	<u>(111)</u>		<u>(116)</u>	
<b>Net cash outflow from return on investments and servicing of finance</b>			<b>(72)</b>		<b>(79)</b>
<b>Taxation</b>					
Corporation tax paid	11		0		0
<b>Capital expenditure and financial investment</b>					
Gift of fixed asset investments	12	-		(231)	
Payments to acquire tangible fixed assets	12	<u>(101)</u>		<u>(195)</u>	
<b>Net cash outflow from capital expenditure and financial investment</b>			<b>(101)</b>		<b>(426)</b>
<b>Financing</b>					
(Decrease)/increase in long term debt			<b>(847)</b>		<b>540</b>
<b>Increase/(decrease) in cash</b>			<b>723</b>		<b>(239)</b>

The notes on pages 17 to 28 form part of these financial statements



# NOTES FORMING PART OF THE PRO FORMA COMBINED FINANCIAL STATEMENTS

for the year ended 31 December 2013

## 1. AIMS AND ORGANISATION

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

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

## 2. ACCOUNTING POLICIES

### Basis of accounting

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

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

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

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

### Income and expenditure

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

### Fixed assets

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

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

### Investments

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

### Pensions

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

### Indemnity insurance

Amnesty International (UK Section) Charitable Trust has arranged Directors and Officers Liability Insurance at an annual premium of £2k (2012 £2k).

### Funds

Funds are distinguished between restricted, designated and unrestricted funds. Income, expenditure, assets and liabilities for each classification of funds are accounted for separately. Further details are shown in the statement of financial activities for the year to 31 December 2013.

## 3. GENERATION OF VOLUNTARY INCOME

	Unrestricted Dec-13 £000s	Restricted Dec-13 £000s	Endowment Dec-13 £000s	Total Dec-13 £000s	Total Dec-12 £000s
<b>Voluntary Income</b>					
Subscriptions and donations from supporters and members	16,069	144	-	16,213	17,486
Legacies	3,538	-	-	3,538	2,913
Gift Aid	1,399	-	-	1,399	1,396
Grants received (see note 3.1)	-	653	-	653	190
	<b>21,006</b>	<b>797</b>	<b>-</b>	<b>21,803</b>	<b>21,985</b>
<b>Costs of generating voluntary income</b>					
Investment in supporter recruitment	2,181	-	-	2,181	2,452
Supporter care	812	-	-	812	805
General fundraising	1,141	-	-	1,141	1,286
Gift Aid	-	-	-	-	13
Legacies	137	-	-	137	174
	<b>4,271</b>	<b>-</b>	<b>-</b>	<b>4,271</b>	<b>4,730</b>
<b>Net voluntary income generated</b>	<b>16,735</b>	<b>797</b>	<b>-</b>	<b>17,532</b>	<b>17,255</b>

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

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

Included in the costs of generating voluntary income is £830k of apportioned support costs.  
See note 9 (2012: £854k).

**3.1 ANALYSIS OF RESTRICTED FUNDS**

The following restricted income was received during the year

£000s

**Donations:**

From individuals in support of:	Middle East and North Africa	39
	Sudan	33
	Refugees	31
	Terror, Security & Human Rights	30
	Women's Human Rights - Afghanistan	10
	Zimbabwe Elections	1
		<u>144</u>

**Grants:**

CAF American Donor Fund	People Trafficking	175
Comic Relief	Forced Eviction in Kenya	154
The Kusuma Trust	Human Rights Education in India	100
The Joseph Rowntree Charitable Trust	Supporting the "Still Human Still Here" coalition	53
Google	Digitisation of our Letter Writing Marathon	50
Allan & Nesta Ferguson Charitable Trust	Human Rights Education	30
Comic Relief	Supporting the "Still Human Still Here" coalition	27
The Thomas Paine Initiative	Northern Ireland Accountability Campaign	15
The Peter Stebbings Memorial	Youth Awards 2013	10
The Pinsent Masons Foundation	Youth Awards 2014	10
City Bridge Trust	Human Rights Education in London	9
City of London Trust	Human Rights Education	9
William A Cadbury Charitable Trust	Northern Ireland Legacy Campaign	8
People's Postcode Lottery	Human Rights Education in Scotland	3
		<u>653</u>

**Total restricted funds****797****The Boards would like to express their gratitude to those funders for their generous grants.**

#### 4. ACTIVITIES FOR GENERATING FUNDS

	Income	Expenditure	Net funds generated	Income	Expenditure	Net funds generated
	Dec-13	Dec-13	Dec-13	Dec-12	Dec-12	Dec-12
	£000s	£000s	£000s	£000s	£000s	£000s
Shops	545	555	(10)	523	585	(62)
Sales	132	189	(57)	136	253	(117)
Conferencing	88	35	53	-	-	-
Corporate Relationships	272	1	271	324	2	322
Royalties	123	6	117	5	12	(7)
Community fundraising	564	202	362	707	242	465
Events	30	379	(349)	22	401	(379)
Secret Policemans' Ball	-	-	-	856	1,244	(388)
Appeals	535	202	333	649	281	368
Weekly Lottery	240	174	66	10	180	(170)
Raffles	246	82	164	334	128	206
	<b>2,775</b>	<b>1,825</b>	<b>950</b>	<b>3,566</b>	<b>3,328</b>	<b>238</b>

Included in the costs of activities for generating funds is £301k of apportioned support costs. See note 9 (2012: £365k). Many events are carried out primarily to raise public awareness of Amnesty and its activities, with income generation often being a by-product. We are aware that these events make a significant contribution to the furtherance of our fundraising programmes and bring lasting financial benefits.

#### 5. INCOME IN PURSUIT OF OBJECTIVES

	Dec-13	Dec-12
	£000s	£000s
Income from human rights publications and campaigning materials	<b>164</b>	<b>202</b>

During 2013 we reduced the number of supporter magazines distributed from five to four.

#### 6. INVESTMENT INCOME

	Dec-13	Dec-13
	£000s	£000s
Interest receivable on bank deposits	27	26
Interest receivable on fixed asset investments	12	11
<b>Total investment and other income</b>	<b>39</b>	<b>37</b>

**7. EXPENDITURE IN PURSUIT OF OBJECTIVES**

	Dec-13 Unrestricted £000s	Dec-13 Restricted £000s	Dec-13 Total £000s	Dec-12 Total £000s
<b>Human Rights Campaigning</b>				
Production and distribution of human rights publications and campaigning materials	1,557	-	1,557	1,636
Campaigns and activism support	1,366	-	1,366	1,347
Media	767	-	767	681
Human rights education	767	49	816	733
Individuals at risk	475	1	476	436
Nations and regions	460	24	484	430
Policy	446	-	446	558
Grants to AI Sections	339	-	339	244
Amnesty in the community	240	-	240	218
Refugees & asylum	139	119	258	262
Security & human rights	135	-	135	84
Control arms	124	1	125	138
Corporate & social responsibility	118	-	118	129
Youth activism	109	10	119	135
Dignity	107	-	107	113
Womens' human rights	84	10	94	83
Lesbian, gay, bisexual, transsexual	72	-	72	52
Death penalty	67	-	67	64
Art for amnesty	42	-	42	288
Country campaigning	36	91	127	175
<b>Total human rights campaigning</b>	<b>7,450</b>	<b>305</b>	<b>7,755</b>	<b>7,806</b>
<b>Research into and relief of human rights violations</b>				
Grant to Amnesty International Limited	8,261	174	8,435	7,805
Direct International Funding	-	253	253	-
Relief to victims of human rights violations	12	-	12	12
<b>Total research: human rights violations</b>	<b>8,273</b>	<b>427</b>	<b>8,700</b>	<b>7,817</b>
<b>Investment in activist recruitment</b>				
Investment in activist recruitment	1,224	-	1,224	1,409
Support costs apportioned (see note 9)	229	-	229	226
<b>Total investment in activist recruitment</b>	<b>1,453</b>	<b>-</b>	<b>1,453</b>	<b>1,635</b>
<b>Total expenditure in pursuit of objectives</b>	<b>17,176</b>	<b>732</b>	<b>17,908</b>	<b>17,258</b>

Included in the cost of human rights campaigning is £2,534k of apportioned support costs. See note 9 (2012: £2,465k).

A full discussion of all AIUK's activities appears in the report of the Boards on pages 6 to 12.

## 8. GOVERNANCE COSTS

	Dec-13 £000s	Dec-12 £000s
Members' annual general meeting and national conference	153	224
International council meeting (biennial meeting of global movement)	19	-
Other direct governance costs	148	300
<b>Total governance cost</b>	<b>320</b>	<b>524</b>

None of the Directors received remuneration during the year. The total of expenses reimbursed to Directors was £24,492. This amount includes £10,191 incurred by Ciarnan Helferty and £817 repaid to Sarah O'Grady in their capacity as Chair during 2013 (2012 total: £10,897). All expenses related to travel, accommodation and subsistence costs incurred in relation to attendance at Board meetings, other governance meetings and Amnesty events.

Included in governance costs is £17k of apportioned support costs. See note 9 (2012 £63k).

## 9. SUPPORT COSTS

	Dec-13 £000s	Dec-12 £000s
Staff costs	1,719	1,714
Staff and volunteer training and welfare	221	201
Premises costs	769	783
Irrecoverable VAT	(37)	(28)
Interest payable on mortgage loan	111	116
Depreciation	412	408
Other support costs	716	779
<b>Total support costs</b>	<b>3,911</b>	<b>3,973</b>

As discussed in the financial review, £122k of the above support costs related to the implementation of a cost and priority review programme; £8k in 2013 and £114k in 2012.

### Apportionment of support costs

	Dec-13 £000s	Dec-12 £000s
Cost of generating voluntary income	830	854
Activities for generating funds	301	365
Human rights campaigning	2,534	2,465
Investment in activist recruitment	229	226
Governance	17	63
<b>Total support costs apportioned</b>	<b>3,911</b>	<b>3,973</b>

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

**10. STAFF COSTS**

	<b>Dec-13</b> <b>£000s</b>	<b>Dec-12</b> <b>£000s</b>
Wages and salaries	6,303	7,076
Social security costs	688	748
Pension costs	392	414
Redundancy Costs	789	-
	<b>8,172</b>	<b>8,238</b>

As discussed in the financial review, £706k of the above redundancy costs related to the implementation of a cost and priority review programme.

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

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

	<b>Full-time</b> <b>equivalents</b>	<b>Cost</b> <b>£</b>
Cost of generating voluntary income	36	1,708
Activities for generating funds	9	478
Human rights campaigning	82	4,311
Support	29	1,636
Governance	1	39
<b>Total</b>	<b>157</b>	<b>8,172</b>

There were 206 staff employed including part-time and job-share posts. This number also includes those who joined and left during the year. Overall, this is the equivalent of 157 full-time posts.

<b>Salary band</b> <b>£000s</b>	<b>Redundancy</b> <b>number</b>	<b>Other</b> <b>number</b>	<b>Dec-13</b> <b>Total numbers</b>	<b>Dec-12</b> <b>Total numbers</b>
0 - 10	0	25	25	40
10 - 20	0	30	30	46
20 - 30	3	25	28	46
30 - 40	3	56	59	60
40 - 50	2	33	35	41
50 - 60	4	8	12	12
60 - 70	4	3	7	2
80 - 90	2	0	2	-
90 - 100	3	1	4	1
100 - 110	3	0	3	-
130 - 140	1	0	1	-
	<b>25</b>	<b>181</b>	<b>206</b>	<b>248</b>

The contracts of the Senior Management Team (SMT) stipulate standard hours of 35 hours per week, but that they are required to work beyond that to fulfil the duties of the job. They are not entitled to overtime payment. The nature of AIUK's work, and in particular its governance requirements means that the SMT may be required to work at weekends. In these circumstances the SMT are eligible to take time off in lieu. There are organisational policies on the amount of such time that may be accumulated and time limits for when this time off in lieu must be taken before it expires. The SMT are not entitled to be paid for this time. The ratio comparing the highest salary to lowest paid member of staff is 4.8 to 1.

**11. TAXATION**

	Dec-13 £000s	Dec-12 £000s
<b>Taxation on profit on ordinary activities</b>		
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Movement in deferred tax provision	-	-
<b>Taxation on profit on ordinary activities</b>	-	-
<b>Reconciliation</b>	<b>Dec-13 £000s</b>	<b>Dec-12 £000s</b>
<b>Profit/(loss) on ordinary activities before tax</b>	<b>427</b>	<b>(114)</b>
<b>Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 23% (prior year 24%)</b>	<b>98</b>	<b>(27)</b>
Net non-taxable income	(77)	16
(Decrease)/increase in trading losses in the year	(27)	5
Capital allowances in excess of depreciation	6	6
<b>Current tax charge for period</b>	<b>nil</b>	<b>nil</b>
<b>Provision for deferred tax – treated as unprovided</b>	<b>£000s</b>	
<b>Deferred tax at 20%</b>		
Balance at 1 January 2013	(228)	
Movement	48	
Balance at 31 December 2013	<b>(180)</b>	
<b>The year end unprovided deferred tax asset comprises</b>	<b>£000s</b>	
Accelerated capital allowances	235	
Losses available to carry forward	(415)	
	<b>(180)</b>	



**12. FIXED ASSETS**

<b>Tangible Fixed Assets</b>	<b>Freehold land and buildings £000s</b>	<b>Plant &amp; Machinery £000s</b>	<b>Computer equipment/ infrastructure £000s</b>	<b>Office Equipment £000s</b>	<b>Leasehold Improvements £000s</b>	<b>Total £000s</b>
<b>Cost</b>						
<b>at 1 January 2013</b>	<b>9,732</b>	<b>1,691</b>	<b>891</b>	<b>719</b>	<b>20</b>	<b>13,053</b>
Additions	-	-	-	101	-	101
Disposals	-	-	-	-	-	-
<b>at 31 December 2013</b>	<b>9,732</b>	<b>1,691</b>	<b>891</b>	<b>820</b>	<b>20</b>	<b>13,154</b>
<b>Depreciation</b>						
<b>at 1 January 2013</b>	<b>988</b>	<b>668</b>	<b>626</b>	<b>542</b>	<b>15</b>	<b>2,839</b>
Charge for the year	125	85	107	93	2	412
Disposals	-	-	-	-	-	-
<b>at 31 December 2013</b>	<b>1,113</b>	<b>753</b>	<b>733</b>	<b>635</b>	<b>17</b>	<b>3,251</b>
<b>Net book value</b>						
<b>at 31 December 2013</b>	<b>8,619</b>	<b>938</b>	<b>158</b>	<b>185</b>	<b>3</b>	<b>9,903</b>
<b>at 31 December 2012</b>	<b>8,744</b>	<b>1,023</b>	<b>265</b>	<b>177</b>	<b>5</b>	<b>10,214</b>

**Freehold land and buildings**

The land and building asset is the freehold of the Human Rights Action Centre in New Inn Yard, London. The cost of the asset shown above includes the purchase price and associated expenses together with capitalised costs incurred in beginning the refurbishment works. The cost of the land included above is £3,500,000.

**Investments**

	<b>Dec-13 Total £000s</b>	<b>Dec-12 Total £000s</b>
<b>Opening market value at 1 January</b>	264	31
Donated during the year	-	231
Matured during the year	-	-
Unrealised gain for the year	(25)	2
<b>Closing market value at 31 December</b>	<b>239</b>	<b>264</b>
<b>Historical cost at 31 December</b>	<b>248</b>	<b>248</b>

The listed investments represent unmaturing US Federal Government Bonds gifted by David T K Wong under a declaration of Trust dated September 1999. In February 2012 Mr Wong made a further gift of US \$250k United States Federal Government 7.625% Coupon Bonds maturing January 2023. (see note 15)

**13. DEBTORS**

	<b>Dec-13</b> <b>£000s</b>	<b>Dec-12</b> <b>£000s</b>
Tax recoverable on gift aid	465	660
Accrued legacy income	1,100	668
Trade debtors	64	44
Other debtors, prepayments and accrued income	578	1,299
Value Added Tax recoverable	120	170
	<b>2,327</b>	<b>2,841</b>

All amounts are due within 12 months.

**14. CREDITORS**

**Amounts falling due within one year**

	<b>Dec-13</b> <b>£000s</b>	<b>Dec-12</b> <b>£000s</b>
Trade creditors	251	447
Mortgage loan	141	135
Accruals and deferred income	542	139
Payroll taxes and other creditors	280	200
	<b>1,214</b>	<b>921</b>

**Amounts falling due after more than one year**

	<b>Dec-13</b> <b>£000s</b>	<b>Dec-12</b> <b>£000s</b>
Mortgage loan	2,051	2,193
Deferred payment of grant to Amnesty International Secretariat	-	705
	<b>2,051</b>	<b>2,898</b>

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

**15. RESTRICTED FUNDS**

<b>Endowment fund</b>	<b>Total £000s</b>
<b>Opening market value at 1 January 2013</b>	<b>457</b>
Total incoming resources	9
Unrealised gain for the year	(30)
<b>Closing market value at 31 December 2013</b>	<b>436</b>
<b>Represented by:</b>	
Fixed Assets	239
Cash at Bank	197
	<b>436</b>

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 mature in November 2015

In February 2012 Mr Wong made a further gift of US \$250k United States Federal Government 7.625% Coupon Bonds maturing in January 2023. At the maturity dates of the bonds, the Trustees are obliged to maintain the capital 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 - see note 12). The bonds must be held until their maturity dates.

The Trustees wish to express their gratitude to Mr Wong for these extremely generous donations towards their work.

<b>Restricted grants</b>	<b>Total £000s</b>
<b>At 1 January 2013</b>	<b>179</b>
Income (see note 3.1)	797
Expenditure (see note 7)	(732)
<b>At 31 December 2013</b>	<b>244</b>
<b>Represented by:</b>	
People Trafficking	176
Refugees - Still Human Still Here	51
Human Rights Education	12
Middle East & North Africa	5
<b>Cash at bank</b>	<b>244</b>

**16. UNRESTRICTED FUNDS**

	<b>Fixed Asset reserve £000s</b>	<b>Total Designated Funds £000s</b>	<b>Total Undesignated Funds £000s</b>	<b>Total Unrestricted Funds £000s</b>
<b>At 1 January 2013</b>	<b>8,021</b>	<b>8,021</b>	<b>5,161</b>	<b>13,182</b>
Utilised during year	-	-	383	383
Movement between reserves	(169)	(169)	169	-
<b>At 31 December 2013</b>	<b>7,852</b>	<b>7,852</b>	<b>5,713</b>	<b>13,565</b>
<b>Represented by:</b>				
Tangible fixed assets	9,903	9,903	-	9,903
Cash at bank	-	-	4,600	4,600
Net current assets	-	-	1,113	1,413
Long term liabilities	(2,051)	(2,051)	-	(2,051)
	<b>7,852</b>	<b>7,852</b>	<b>5,713</b>	<b>13,565</b>

**Fixed Asset reserve**

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

## 17. NOTES TO CASH FLOW STATEMENT

Reconciliation of operating profit to net cash inflows from operating activities	Dec-13 £000s	Dec-12 £000s
Surplus/(deficit) before taxation	457	(50)
Depreciation	412	408
Loss on disposal of fixed assets	-	33
Interest received	(39)	(37)
Interest paid	111	116
Exchange loss on foreign currency holdings	(5)	-
Decrease/(increase) in debtors	514	(874)
Increase in creditors	293	130
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,743</b>	<b>(274)</b>

Reconciliation of net cash outflow to movement in net funds	Dec-13 £000s	Dec-12 £000s
Increase/(decrease) in cash	723	(239)
Cash inflow/(outflow) from changes in net debt	847	(540)
Movement in net cash	1,570	(779)
Opening net funds	1,420	2,199
<b>Closing net funds</b>	<b>2,990</b>	<b>1,420</b>

Analysis of net funds	1 Jan 2013 £000s	Cash flows £000s	31 Dec 2013 £000s
Cash in hand and at bank	4,318	723	5,041
Debt due after one year	(2,898)	847	(2,051)
	<b>1,420</b>	<b>1,570</b>	<b>2,990</b>

## 18. COMMITMENTS UNDER OPERATING LEASES

Operating leases which expire	Dec-13 £000s	Dec-12 £000s
Within one year	66	39
In two to five years	147	122
	<b>213</b>	<b>161</b>
<b>Analysed between</b>		
Hire of plant and machinery	46	16
Other operating leases	167	145
	<b>213</b>	<b>161</b>

## 19. RELATED PARTY TRANSACTIONS

During the year personal credit card expenditure of £11,672 were accrued by a Chair of the Board, Ciarnan Helferty. This has been fully repaid since the year-end.

