



Amnesty International
United Kingdom

**COMBINED
FINANCIAL
STATEMENTS**

for the year ended 31 December 2014

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COMBINED FINANCIAL STATEMENTS

for the year ended 31 December 2014

Amnesty International United Kingdom Section – a company limited by guarantee

Company reg. number 1735872
Date of incorporation 30 June 1983

Board members

Sarah O’Grady	Chair
Richard Cryer	Treasurer (co-opted 9 May 2014)
Hannah Perry	Vice Chair
Rona Keen	
Cris Burson-Thomas	
Gareth Harrison Littler	
Brian Gilda	
Hugh Whitby	
Katherine McSherry	
Tom Hedley	
Ruth Breddal	
Eilidh Douglas	(elected 9 May 2014)
Sarah Ward	
Tom Sparks	(elected 9 May 2014)
Louise Ewington	(resigned 31 January 2014)

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

Charity registration numbers:
England and Wales 1051681
Scotland SC039534
Company reg. number 03139939
Date of incorporation 16 December 1995

Gareth Davies	(elected Chair 9 October 2014 appointed to Trust 1 February 2014)
Livia Aliberti	(appointed 1 February 2014)
Richard Cryer	Treasurer (appointed 9 May 2014)
Bridget Lindley	(appointed 1 February 2014)
Sarah O’Grady	(appointed 11 June 2011)
Thomas Hedley	(appointed 12 July 2014)
David Norgrove	(resigned 9 October 2014)
Gareth Harrison Littler	(resigned 20 September 2014)
Cris Burson-Thomas	(resigned 20 September 2014)

Amnesty Freestyle Limited – a company with share capital

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

Board members

Kate Allen
Tom Hedley
Kerry Mosconiuri

Secretary and Registered office

Rosie Chapman
The Human Rights Action Centre
17-25 New Inn Yard
London EC2A 3EA
Tel: 020 7033 1500
email: amnestycompany.secretary@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 of Amnesty International UK Section (UK Section) and of Amnesty International UK Section Charitable Trust (UK Trust) 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 2014. 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 the UK Section and the UK Trust 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, which did not trade during 2014, 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, managed by a Board with a maximum 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. 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 governed by its Trustees (who are the Directors and Members). The Trustees are appointed by the Board of the UK Section; normally some of the Trustees are serving members of the Board of the 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 the 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 the UK Section and the Board of the UK Trust 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

1. 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.

2. KEY ACTIVITIES UNDERTAKEN BY STAFF, VOLUNTEERS AND ACTIVISTS

AIUK currently employs the equivalent of 150 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 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

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.

1. ACHIEVEMENTS AND PERFORMANCE

Together against injustice

Large scale human suffering which impacted on the lives of millions of people dominated the headlines in 2014: The continuing brutal civil war in Syria, which has killed nearly 200,000 people and driven four million from their homes; the murderous activities of Islamic State terrorists and their fellow fanatics in Nigeria, Boko Haram; the 50-day conflict in Gaza, in which more than 2,100 died and 100,000 were displaced from their homes, with war crimes committed on both sides; the tragedy of more than 2,500 men, women and children drowned in the Mediterranean as they attempted to flee conflicts in the Middle East and North Africa. More than ever, Amnesty International is needed in the world.

But one of the most important lessons we have learned in more than 50 years of work by Amnesty International is that however big and ugly a human rights problem may seem, it can be tackled if sufficient willpower, persistence and courage are brought to bear. Some truly wonderful, heartening things took place in 2014 – many of them the result of exactly that kind of patient pressure, applied by hundreds of thousands of Amnesty supporters.

Control Arms

In December the Arms Trade Treaty finally came into force when it was ratified by 50 countries. The treaty represents a huge vindication of the dogged campaign carried out by Amnesty International and others over more than 20 years to curb the international trade in arms. 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.

Individuals at risk of human rights abuse

Our work to campaign for specific individuals at risk across the world continues to be a key priority. In 2014 we increased the scale of this work. AIUK was part of the movement's biggest ever "letter writing" marathon in November and December 2014 when Amnesty supporters in over 100 countries wrote more than three million messages, emails, tweets, posts, letters. Earlier in the year we ran a high-profile campaign that saw more than a million people around the world call on the Sudanese authorities to release Meriam Ibrahim, a 27-year-old mother of two young children who was facing execution for refusing to renounce her Christian faith. Meriam was released six weeks after she was sentenced to hang and has since started a new life in the USA with her husband and children. 250,000 people in the UK took action with us via emails, texts and letters.

Country Campaigning

We campaigned to protect human rights in many specific countries in 2014. Much of this work is carried out by AIUK's volunteer Country Coordinators. Amongst the many countries we highlighted during 2014 are:

ISRAEL AND THE OCCUPIED TERRITORIES – action on arms exports: Our efforts to improve the human rights situation in Israel and the occupied Palestinian territories were inevitably overshadowed by the 50-day conflict in Gaza in July and August. We campaigned for the UK government to cancel all arms export licences to Israel, in line with its obligations under the Arms Trade Treaty. After the Gaza conflict the government said it would suspend 12 licences for arms to Israel, but only if 'significant hostilities' resume. Our campaign secured 56,000 signatures and an opportunity to give evidence to the Parliamentary Select Committee on Arms.

NORTH KOREA – we made the world listen: In 2014 Amnesty International took the lead in exposing the horrific truth about life in North Korea. Though banned from access to this closed state, where all freedom of expression is repressed, Amnesty has undertaken detailed research into widespread human rights abuses, especially in the country's brutal prison camps, where murder, starvation and torture are routine. One way we've done this is by commissioning satellite images proving beyond all doubt that the camps exist and that they hold around 100,000 inmates. Our pictures had a worldwide impact, being reported in media across the globe early in 2014. Amnesty researchers also gathered testimonies from some of the survivors who have escaped North Korea's camps. Our satellite images and survivors' testimonies were made available to the UN Commission of Inquiry investigating human rights abuses in North Korea which presented its report in March 2014. The inquiry report likened the conditions and treatment of North Korean prison camps to Nazi concentration camps.

The 400-page report recommended that the UN Security Council refer North Korea's leaders to the International Criminal Court for investigation and possible prosecution, calling the gravity and nature of abuses in the country 'without parallel in the contemporary world'. On 18 November 2014 a UN General Assembly committee voted to condemn North Korea for its abuses and recommended the prosecution of its leaders by 111 votes to 19, with 55 abstentions.

Campaign against Torture

In May 2014 we launched a new Stop Torture campaign, focusing on five countries – Nigeria, Mexico, Morocco, Philippines and Uzbekistan, where torture is rife. The campaign has highlighted a long-term case from each of these countries. While there is a long way to go, we have seen some positive developments since the campaign was launched. The Philippines Senate opened an enquiry into police torture the day after Amnesty International launched its report "Above the Law: Police Torture in the Philippines" on 4 December. In Nigeria, a bill that criminalises torture has progressed in its legislative process and is now pending in the Senate. Thanks in part to lobbying by Amnesty, in October the European Parliament passed a resolution calling on Uzbekistan to eliminate torture and allow a visit from the Special Rapporteur.

Campaigning for Women in Afghanistan

Women's rights have been badly eroded in Afghanistan during more than three decades of violence. Amnesty's Women's Rights in Afghanistan campaign has worked hard to encourage the new Afghan government to embrace reform and has succeeded in extracting firm promises of support from the international community. Thousands signed our petition calling for a clear operational plan to support Afghan women. In December the EU promised real protection and support to Afghan women. Human rights defenders at risk can now turn to diplomats from EU embassies for help. They can now seek temporary protection or apply for an emergency visa. Safe houses are promised by the end of 2015. Such measures offer hope for Afghan women and a vital safety net at a dangerous time. Amnesty also supports Women for Afghan Women (WAW), which provides frontline services to the women and girls of Afghanistan. Their shelters offer refuge to women and girls escaping forced marriages, rape and violence.

My Body My Rights Campaign

Being able to make our own decisions about our health, body and sexual life is a basic human right. Yet all over the world, many of us are persecuted for making these choices – or prevented from doing so at all. Amnesty International launched a global campaign in Spring 2014 on this issue. Over 20,000 people in the UK took action to end the ban on abortion in El Salvador.

Refugees and asylum-seekers

Since the Syrian conflict began in March 2011, more than 10m people – nearly half the population – have been forced out of their homes. Of these, approximately four million have sought refuge in other countries. The UK government initially refused to admit any additional Syrian refugees at all: it was pressure from Amnesty members that led to a grudging offer of safe haven to some of the most vulnerable. This can be seen on a local level, with both the Malvern Hills and Perth Amnesty groups successfully lobbying their local councils to allow Syrian refugees to be resettled in their towns. In November Amnesty joined other major charities in a letter to Prime Minister David Cameron. The letter called for the rich and developed countries to agree collectively to resettle at least 5 per cent of the total Syrian refugee population by the end of 2015.

Human Rights Education

Every year, Amnesty reaches tens of thousands of secondary school students and older primary pupils by providing free high quality human rights educational materials, tailored to the curriculum. We produced a number of new resources, including an updated version of our popular Power of Our Voices pack, focusing on protest songs and human rights, and a new toolkit on women's rights in Afghanistan. We upgraded our website to enable teachers and school speakers to download electronic versions of education resources – fast becoming the preferred method of access. Amnesty school speakers reached more than 27,000 school students in 2014.

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. In 2014 the team played a key role behind the scenes in the development of the work led by William Hague on preventing rape as a weapon of war. On 11 April, Foreign Secretary William Hague and the 7 other G8 Foreign Ministers agreed a landmark declaration on preventing rape during conflict: the Prevention of Sexual Violence Initiative (PSVI).

Corporate and social responsibility

Amnesty International's work on business and human rights has expanded considerably in recent years as part of our increasing focus on the 'Global South', especially countries where economic expansion is progressing at a greater pace than concern for human rights.

Amnesty's long campaign against the forced eviction of slum dwellers in Kenya won a significant victory in October 2014. In May 2013, residents of 'City Carton', an informal settlement in Nairobi, were woken by gangs of men who burst into their homes to forcibly evict them. Nearly 400 homes were destroyed, leaving the people homeless and unable to salvage their possessions. When residents protested police fired live ammunition and teargas. Amnesty and partner organisations in Kenya worked with residents to bring a court case against the company which carried out the evictions, and the Kenyan government. In October 2014 it was ruled that both should pay compensation to the residents.

Activities in Scotland and Northern Ireland

Nearly 17 years after the Good Friday Agreement Northern Ireland's peace is still uneasy. Although more than 3,500 people died in the Troubles and some 40,000 were injured, in most cases no one was prosecuted. Our view is that lasting peace can only be secured if a new, comprehensive process is established to review the conflict as a whole, establish the truth about outstanding human rights violations and determine responsibility. In September 2013 Amnesty launched a report, Northern Ireland: Time to Deal with the Past. It received widespread coverage and was well-received by politicians, other human rights groups and victims' groups in Northern Ireland.

The Scottish independence referendum of September 2014 was a unique event in the history of the United Kingdom. While Amnesty International UK took no position on the outcome of the vote, nor on the constitutional framework of post referendum Scotland, it saw the process as a vital opportunity to promote discussion about how human rights could be respected, promoted and safeguarded. To that end we hosted five high-profile public debates leading up to the referendum.

Media

Our media team help spread Amnesty's message through all forms of media, old and new. In 2014, we achieved significantly over-achieved our media targets. We have a target of achieving four 'splash' factors in a year. A 'splash factor' is an occasion when coverage for the same story, initiated by us, receives coverage in at least three of the following four criteria: a) at least three national newspapers; b) at least three regional papers; c) at least three online news outlets; and d) at least one TV and one radio piece. We achieved 22 splash factors in 2014!

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

Recruiting and retaining Amnesty supporters

Amnesty International draws its political and financial strength from the fact that it is a movement of people. This defines the way it works and gives it legitimacy, creativity and a truly human perspective.

Amnesty International UK needs more supporters for two reasons: as human rights activists and to provide secure income streams to fund our human rights work 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 these recruitment costs between Costs of Generating Voluntary Income and Expenditure in Pursuit of Objectives on a 60/40 ratio.

At the end of December 2014, membership of the UK Section stood at 127,350. In comparison at December 2013 we had 132,130 active members (of whom we retained 92%). This includes 4,773 regular givers to section who do not have voting rights.

In 2014 we recruited 5,090 new members, exceeding the target of 3,158. In 2015 we plan to maintain the 92% retention rate and to recruit 1,614 new members. The forecasted number of members at end of 2015 is 122,084.

At the end of December 2014 the number of regular Trust givers was 56,178. In comparison at December 2013 we had 52,190 regular trust givers (of whom we retained 87%).

In 2014 the Acquisition team recruited 9,953 new regular Trust givers', above the target of 8,210. In 2015 we plan to maintain the 87% retention rate and recruit 20,639 new regular Trust givers. The forecasted number of regular Trust givers at the end of 2015 is 63,193.

Taking into account the number of supporters who left us during the year we now have 210,222 financially active supporters (regular and non-regular givers) at the end of the year compared to 207,753 at the start; which shows growth of 1.2%. It's worth noting that of those donors that were active at the start of the year we were able to retain 183,374 which equates to 88% of the base. We hope to continue to build on the success of 2014 in 2015.

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 2014

At the beginning of the year the Board of AIUK agreed a budget deficit for 2014 of £0.7m which was to be funded from our surplus free reserves of £2m. We forecast income stabilising in 2014 together with an increase in investment in fundraising, resulting in a small decrease in net fundraised income. A significant increase in the contribution to the international movement was budgeted to be offset by a reduction in other costs.

Performance during the period

Overall the combined accounts show a surplus of £2.8m, which is split £1.8m in Section and £1m in Trust. This is a strong result and puts us in a good position to continue to address the longer term financial sustainability issues which have been highlighted in recent years.

This is £3.5m ahead of the budget.

The main variances to the budget are as follows:

- Fundraising net income is up £2.1m. Within this, income is up £1.9m mostly due to legacies, and expenditure is down £0.2m, largely driven by reduced spend in innovations, supporter recruitment and development as the plan was adjusted to reflect opportunities and priorities.
- The contribution to the international movement is down £0.5m on budget mainly due to a lower 2015 advance payment and lower direct funding to other sections than anticipated.
- Tight cost control, deferral of some expenditure and release of some contingency budgets have resulted in other costs being £0.9m lower than budget.

2.1. Fundraising Performance

The first task of the newly-formed Fundraising Department was to create a new 2014-15 fundraising strategy with a focus on growing the number of financial supporters, as well as fundraising income.

The strategy implementation has started well with a 1% increase in the supporter base and an 8.8% growth in total fundraising income to £26.7m compared to last year.

Highlights are as follows:

- Income from individual supporters up 2.6% to £19.7m
- Income from legacies up 50% to £5.4m, a record annual amount. Our largest legacy in 2014 of a London property, sold for £1.5m, was left to AIUK by a supporter who had received a legacy request from us.
- Major gifts income down 13% to £1.6m, with some committed income now expected in 2015.
- Commercial income up 11% to £0.7m, with all bar one of our bookshops exceeding budget and our merchandise operation (www.amnestyshop.org.uk) delivering record sales.
- Expenditure was lower than budget, reflecting adjustments to planned activity following monthly reviews of performance and opportunity, with investment being diverted to successful campaigns (e.g. reactivation) or pulled back.

2.2. Expenditure in pursuit of objectives

The total amount we spent on human rights campaigning, activism and research decreased by 1.3% during 2014 to £17.7m

As noted above, tight cost control has resulted in the main expenditure lines being £0.9m below budget. The main themes were as follows:

- Salary costs were £0.3m below budget, indicating that establishment control is being well maintained.
- Some contingency budgets relating to prior reorganisations were not required, resulting in a saving of £0.2m
- IT and depreciation costs were under budget, as planned activity will take place in future periods, resulting in a saving of £0.1m.
- Savings in digital and other costs of £0.3m

At the end of 2014, taking into account our projected surplus and the level of our reserves, we agreed to a request from Amnesty's International Secretariat for an interim £1.3m part-payment of our 2015 contribution to the international movement. Due to accounting regulations this is treated as 2014 expenditure in our audited accounts. Our 2015 international contribution will be reduced by the corresponding amount.

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 for our work in documenting and campaigning against human rights abuses. 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 – 2015 BUDGET AND BEYOND

The 2015 budget shows an overall combined deficit of £0.4m. The budget assumes a slight decline in gross fundraising income to £25.8m, together with an increase in investment of £1.3m, resulting in an overall reduction in fundraising net income of £2m.

Most of the income reduction comes from the budget for legacies being conservative at £3.4m vs the record £5.4m achieved in 2014. Most other fundraising income lines are budgeted to grow.

The increased investment in 2015 is focused on acquiring new supporters – up from £1.5m in 2014 to £2.8m in 2015. In recent years, the number of new supporters gained has not kept pace with the number who ceased their financial support – a decline that we succeeded in arresting in 2014. In 2015, we will build on our recent success, seeking to further grow the number of people engaged in protecting human rights through their financial support of AIUK.

We are budgeting to reduce corporate support costs by 9% and invest in campaigning and communication costs. Salaries remain stable and international movement contributions reduce slightly. The longer-term context continues to look challenging. A programme of action is underway to rectify this.

The strategic planning process is being undertaken in 2015 to set the direction of AIUK for 2016-2019. In tandem with this a robust long-term financial planning process has started and is scheduled to deliver a revised long term financial plan in autumn 2015. This will enable us to model different fundraising investment, income and cost scenarios so that a more robust and sustainable financial future can be planned. A variety of international assessment model scenarios will also be built into our modelling.

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 2015 and we will incorporate the outcome in our 2015 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

The risk register is 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 not less than a minimum level of unrestricted free reserves sufficient to meet the quantification of the risks on the risk register.

As at 31 December 2014 the unrestricted free reserves (net current assets less the total of restricted funds, cash endowment funds and deferred grant payments) stood at £8.6 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.

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 excess over the minimum amount of free reserves at 31 December 2014 stood at £4.9 million.

Auditors

All of the members of the current Boards 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.

The report of the Boards of the UK Section and the UK Trust (incorporating the Strategic Report) was approved on 26 March 2015 and signed on behalf of the Directors of the Section and the Trustees of the Trust on 26 March 2015



Sarah Jane O'Grady, Chair UK Section
26 March 2015



Gareth Davies, Chair UK Trust
26 March 2015

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 2014 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 18 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 page 17-18.

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

OPINION

In our opinion:

- The pro forma financial statements have been prepared, in all material respects, in accordance with the basis of accounting set out in note 2.

Opinion on other matters:

- the information given in the Board’s report and strategic report is consistent with the financial statements.



BDO LLP
Gatwick
United Kingdom

30 March 2015

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 2014

	Note	Unrestricted Funds 2014 £000s	Restricted Funds 2014 £000s	Endowment Funds 2014 £000s	Total Funds 2014 £000s	Total Funds 2013 £000s
Incoming resources from generated funds						
Voluntary income						
Subscriptions and donations from members and supporters	3	16,465	127	25	16,617	16,213
Legacies	3	5,430	-	-	5,430	3,538
Gift Aid	3	1,248	-	-	1,248	1,399
Grants	3	-	314	-	314	653
Total voluntary income		23,143	441	25	23,609	21,803
Activities for generating funds	4	3,160	-	-	3,160	2,775
Income from pursuit of objectives	5	169	-	-	169	164
Investment and other income	6	35	-	12	47	39
Total incoming resources		26,507	441	37	26,985	24,781
Expenditure						
Cost of generating voluntary income	3	4,491	-	-	4,491	4,271
Activities for generating funds	4	1,768	-	-	1,768	1,825
Total cost of generating funds		6,259	-	-	6,259	6,096
Expenditure in pursuit of objectives						
Human rights campaigning	7	6,904	218	-	7,122	7,755
Research: human rights violations	7	8,733	135	-	8,868	8,700
Investment in activist recruitment	7	1,684	-	-	1,684	1,453
Total expenditure in pursuit of objectives		17,321	353	-	17,674	17,908
Governance costs	8	254	-	-	254	320
Total resources expended		23,834	353	-	24,187	24,324
Net surplus for the year before revaluation		2,673	88	37	2,798	457
Unrealised gain /(loss) on revaluation of investment asset	15	-	-	36	36	(30)
Net incoming resources		2,673	88	73	2,834	427
Total funds brought forward	15/16	13,565	244	436	14,245	13,818
Total funds carried forward	15/16	16,238	332	509	17,079	14,245

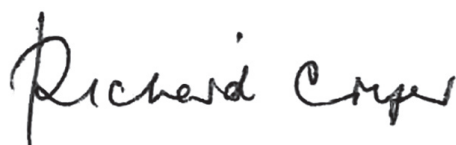
All amounts relate to continuing activities. There are no recognised gains or losses other than the surplus for the year. The notes on pages 17 to 30 form part of these financial statements.

COMBINED BALANCE SHEET

at 31 December 2014

	Note	2014 £000s	2014 £000s	2013 £000s	2013 £000s
Fixed assets					
Tangible fixed assets	12	9,541		9,903	
Investments	12	<u>261</u>		<u>239</u>	
			9,802		10,142
Current assets					
Debtors	13	2,139		2,327	
Cash at bank and in hand		<u>7,959</u>		<u>5,041</u>	
		10,098		7,368	
Creditors: amounts falling due within one year	14	<u>(918)</u>		<u>(1,214)</u>	
Net current assets			9,180		6,154
Creditors: amounts falling due after more than one year	14		(1,903)		(2,051)
Total assets less current liabilities			<u>17,079</u>		<u>14,245</u>
Reserves					
Restricted					
Endowment	15	509		436	
Grants	15	<u>332</u>		<u>244</u>	
			841		680
Unrestricted					
Undesignated	16	8,600		5,713	
Designated	16	<u>7,638</u>		<u>7,852</u>	
			16,238		13,565
Total reserves			<u>17,079</u>		<u>14,245</u>

26 March 2015



Richard Cryer, Treasurer

The notes on pages 17 to 30 form part of these financial statements.

COMBINED CASH FLOW STATEMENT

for the year ended 31 December 2014

	Note	2014 £000s	2014 £000s	2013 £000s	2013 £000s
Net cash inflow from operating activities	17		3,133		1,743
Returns on investment and servicing of finance					
Interest received	6	47		39	
Interest paid	9	(104)		(111)	
Net cash outflow from return on investments and servicing of finance			(57)		(72)
Taxation					
Corporation tax paid	11		0		0
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets	12	(10)		(101)	
Net cash outflow from capital expenditure and financial investment			(10)		(101)
Financing					
Decrease in long term debt			(148)		(847)
Increase in cash			2,918		723

The notes on pages 17 to 30 form part of these financial statements

NOTES FORMING PART OF THE PRO FORMA COMBINED FINANCIAL STATEMENTS

for the year ended 31 December 2014

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.

2. ACCOUNTING POLICIES (continued)

Fixed assets

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

Freehold buildings	2% per annum
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
Freehold improvements	10%-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 contributes to defined contribution pension schemes, which are operated externally by The Pensions Trust and Scottish Widows. Contributions are charged to the income and expenditure account in the year to which they relate. The pension schemes are independently administered and the assets of the schemes are held separately from Amnesty International United Kingdom.

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 2014.

3. GENERATION OF VOLUNTARY INCOME

	Unrestricted 2014 £000s	Restricted 2014 £000s	Endowment 2014 £000s	Total 2014 £000s	Total 2013 £000s
Voluntary Income					
Subscriptions and donations from supporters and members	16,465	127	25	16,617	16,213
Legacies	5,430	-	-	5,430	3,538
Gift Aid	1,248	-	-	1,248	1,399
Grants received (see overleaf)	-	314	-	314	653
	23,143	441	25	23,609	21,803
Costs of generating voluntary income					
Investment in supporter recruitment	2,528	-	-	2,528	2,181
Supporter care	774	-	-	774	812
General fundraising	1,024	-	-	1,024	1,141
Legacies	165	-	-	165	137
	4,491	-	-	4,491	4,271
Net voluntary income generated	18,652	441	25	19,118	17,532

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 £613k of apportioned support costs. See note 9 (2013: £830k)

ANALYSIS OF RESTRICTED FUNDS

The following restricted income was received during the year

£000s

Donations:

From individuals in support of:	Middle East & North Africa	51
	Individuals at Risk	30
	Human Rights Education	20
	North Korea	10
	Stop Torture	10
	My Body My Rights	5
	N.Ireland "Time to deal with the past"	1
		<u>127</u>

Grants:

Comic Relief	Forced Evictions in Kenya	135
Comic Relief	"Still Human Still Here" coalition	54
Peoples Postcode Lottery	Human Rights Education	40
City of London Trust	Human Rights Education in London	38
Unbound Philanthropy	"Still Human Still Here" coalition	23
Thomas Paine Initiative	Human Rights in Scotland referendum	15
Splitmoon Trust	Stop Torture	6
C B And H H Taylor 1984 Trust	Stop Torture	1
Celtic FC Foundation	Gypsy Travellers campaign - Scotland	1
The W.F. Southall Charitable Trust	Middle East & North Africa	1
		<u>314</u>

Total restricted funds**441****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
	2014	2014	2014	2013	2013	2013
	£000s	£000s	£000s	£000s	£000s	£000s
Shops	609	637	(28)	545	555	(10)
Sales	133	78	55	132	189	(57)
Conferencing	175	49	126	88	35	53
Corporate Relationships	325	1	324	272	1	271
Royalties	80	37	43	123	6	117
Community fundraising	586	325	261	564	202	362
Events	15	204	(189)	30	379	(349)
Appeals	721	214	507	535	202	333
Weekly Lottery	271	119	152	240	174	66
Raffles	245	104	141	246	82	164
	3,160	1,768	1,392	2,775	1,825	950

Included in the costs of activities for generating funds is £421k of apportioned support costs. See note 9 (2013: £301k). 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

	2014	2013
	£000s	£000s
Income from human rights publications and campaigning materials	169	164

6. INVESTMENT AND OTHER INCOME

	2014	2013
	£000s	£000s
Interest receivable on bank deposits	35	27
Interest receivable on fixed asset investments	12	12
Total investment and other income	47	39

7. EXPENDITURE IN PURSUIT OF OBJECTIVES

	2014 Unrestricted £000s	2014 Restricted £000s	2014 Total £000s	2013 Total £000s
Human rights Campaigning				
Production and distribution of human rights publications and campaigning materials	1,764	-	1,764	1,557
Campaigns and activism support	993	-	993	1,366
Media	683	-	683	767
Individuals at risk	617	1	618	476
Human rights education	452	50	502	816
Policy	430	-	430	446
Amnesty in the community	417	-	417	240
Nations and regions	371	17	388	484
Refugees & asylum	193	84	277	259
Women's Human Rights	274	-	274	94
Grants to AI Sections	269	-	269	339
Youth activism	155	-	155	119
Country campaigning	94	53	147	127
Corporate & social responsibility	110	-	110	118
Security & human rights	81	13	94	135
Death penalty	1	-	1	67
Control arms	-	-	-	125
Lesbian, gay, bisexual, transsexual	-	-	-	72
Art for Amnesty	-	-	-	42
Dignity	-	-	-	107
Total human rights campaigning	6,904	218	7,122	7,755
Research into and relief of human rights violations				
Grant to Amnesty International Limited	8,733	-	8,733	8,435
Direct International Funding	-	135	135	253
Relief to victims of human rights violations	-	-	-	12
Total research: human rights violations	8,733	135	8,868	8,700
Investment in activist recruitment	1,531	-	1,531	1,224
Support costs apportioned (see note 9)	153	-	153	229
Total investment in activist recruitment	1,684	-	1,684	1,453
Total expenditure in pursuit of objectives	17,321	353	17,674	17,908

Included in the cost of human rights campaigning is £2,281k of apportioned support costs. See note 9 (2013: £2,534k).

A full discussion of all AIUK's activities appears in the report of the Boards on pages 7 to 9.

8. GOVERNANCE COSTS

	2014 £000s	2013 £000s
Members' annual general meeting and national conference	177	153
International council meeting (biennial meeting of global movement)	-	19
Other direct governance costs	77	148
Total governance cost	254	320

None of the Directors received remuneration during the year. The total of expenses reimbursed to Directors was £10,662 (2013: £24,492). There were 14 directors who received reimbursement (2013:15). 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 £32k of apportioned support costs. See note 9 (2013 £17k).

9. SUPPORT COSTS

	2014 £000s	2013 £000s
Staff costs	1,221	1,719
Staff and volunteer training and welfare	285	221
Premises costs	713	769
Irrecoverable VAT	(34)	(37)
Interest payable on mortgage loan	104	111
Depreciation	373	412
Other support costs	841	716
Total support costs	3,503	3,911

Apportionment of support costs

	2014 £000s	2013 £000s
Cost of generating voluntary income	613	830
Activities for generating funds	422	301
Human rights campaigning	2,283	2,534
Investment in activist recruitment	153	229
Governance	32	17
Total support costs apportioned	3,503	3,911

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.

Included within other support costs are operating lease costs and external audit fees of £43k (2013: £37k). Our external auditors were also paid £4k in respect of non-audit fees.

10. STAFF COSTS

	2014	2013
	£000s	£000s
Wages and salaries	5,962	6,303
Social security costs	642	688
Pension costs	397	392
Redundancy costs	72	789
	7,073	8,172

The UK Section and UK Trust contribute to defined contribution pension schemes.

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

	Full-time equivalents	Cost £000s
Cost of generating voluntary income	28	1,243
Activities for generating funds	14	603
Human rights campaigning	82	3,895
Support	25	1,281
Governance	1	51
Total	150	7,073

There were 208 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 150 full-time posts.

Ongoing salaries £000s	2014 Total numbers	2013 Total numbers
0 - 60	204	203
60 - 70	3	2
70 - 80	-	-
80 - 90	-	-
90 - 100	1	1
	208	206

The table above provides analysis of salary costs only. Details of redundancy payments are provided separately in the table below.

In 2013 Amnesty UK undertook a review of costs and priorities. In the final quarter of 2013, 25 staff posts were made redundant with 2 more in 2014. The amounts shown under the bandings below represent redundancy costs only.

Redundancies £000s	2014 Total numbers	2013 Total numbers
0 - 60	2	22
60 - 70	-	2
70 - 80	-	1
	2	25

AI UK operates a pay policy that as part of our offering, aims to attract and retain the best talent. We reward competitively within our sector and we ensure all elements of pay are fair and transparent and easily understood by our employees. AI UK are an accredited Living Wage employer.

10. STAFF COSTS (continued)

Senior pay

Emoluments for all permanent Senior Management Team members employed by Amnesty UK for the year ended 31 December 2014 are shown below.

Senior Management Team	Full time £	Actual gross £
Director	97,587	98,037
Director of Supporter Campaigning and Communications	68,186	68,636
Director of Fundraising	67,035	53,562
Director of Corporate Services	68,186	63,347
Director of Chief Executive's Office	68,186	68,636

* Differences between full-time annual salaries and actual gross salary and emoluments may result from part-time hours, periods of sick or maternity leave, joining or leaving Amnesty UK during the reporting year, and accrual of individual or state benefits that are excluded from general emoluments. Emoluments exclude employer pension contributions. Interim appointments are also excluded. Some of these figures are higher than the Full Time Annual Salary as a non-consolidated pay increment was awarded in 2014.

11. TAXATION

	2014	2013
	£000s	£000s
Taxation on profit on ordinary activities		
Total current tax	-	-
Deferred tax		
Movement in deferred tax provision	-	-
Taxation on profit on ordinary activities	-	-
Reconciliation	2014	2013
	£000s	£000s
Profit/(loss) on ordinary activities before tax	2,833	427
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 21.49% (prior year 23%)	609	98
Net non-taxable income	(605)	(77)
Decrease/(increase) in trading losses in the year	(18)	(27)
Capital allowances in deficit of depreciation	-	6
Charitable Donations Unutilised	14	-
Current tax charge for period	-	-
Provision for deferred tax – treated as unprovided	£000s	
Deferred tax at 20%		
Balance at 1 January 2014	(180)	
Movement	17	
Balance at 31 December 2014	(163)	
The year end unprovided deferred tax asset comprises	£000s	
Accelerated capital allowances	236	
Losses available to carry forward	(398)	
Other timing differences	(1)	
	(163)	

12. FIXED ASSETS

Tangible Fixed Assets	Freehold land and buildings £000s	Plant & Machinery £000s	Computer equipment/ infrastructure £000s	Office Equipment £000s	Leasehold Improvements £000s	Total £000s
Cost						
at 1 January 2014	9,732	1,691	891	820	20	13,154
Additions	-	-	-	10	-	10
at 31 December 2014	9,732	1,691	891	830	20	13,164
Depreciation						
at 1 January 2014	1,113	753	733	635	17	3,251
Charge for the year	125	85	70	90	2	372
at 31 December 2014	1,238	838	803	725	19	3,623
Net book value						
at 31 December 2014	8,494	853	88	105	1	9,541
at 31 December 2013	8,619	938	158	185	3	9,903

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 original cost of the land included above was £3,500,000.

Investments

	2014 Total £000s	2014 Total £000s
Opening market value at 1 January	239	264
Unrealised (loss)/gain for the year	22	(25)
Closing market value at 31 December	261	239
Historical cost at 31 December	248	248

The listed investments represent unmatured US Federal Government Bonds gifted by David T K Wong under a declaration of Trust dated September 1999. Further details can be found under note 15

13. DEBTORS

	2014	2013
	£000s	£000s
Tax recoverable on gift aid	84	465
Accrued legacy income	1,073	1,100
Trade debtors	115	64
Other debtors, prepayments and accrued income	753	578
Value Added Tax recoverable	114	120
	2,139	2,327

All amounts are due within 12 months.

14. CREDITORS

Amounts falling due within one year	2014	2013
	£000s	£000s
Trade creditors	294	251
Mortgage loan	148	141
Accruals and deferred income	429	542
Payroll taxes and other creditors	47	280
	918	1,214

Amounts falling due after more than one year	2014	2013
	£000s	£000s
Mortgage loan	1,903	2,051
	1,903	2,051

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

Endowment fund	Total £000s
Opening market value at 1 January 2014	436
Total incoming resources	37
Unrealised gain for the year	36
Closing market value at 31 December 2014	509
Represented by:	
Fixed Assets	262
Cash at Bank	247
	509

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, and
 US\$250k US Federal Government 7.625% Coupon Bonds which mature in January 2023

In October 2014 Mr Wong made a further gift of £25k to invest in bonds, which we will undertake in 2015. The Trustees are obliged to hold this capital and any maturing bonds in perpetuity and apply the income of the fund in furtherance of the Trust's charitable objectives

The endowment fund represents cash and bonds (stated at market value). The bonds must be held until their maturity dates (see note 12).

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

Restricted grants	Total £000s
At 1 January 2014	244
Income (see note 3)	441
Expenditure (see note 7)	(353)
At 31 December 2014	332
People Trafficking	176
Human Rights Education	59
Individuals at Risk	30
Still Human Still Here	44
North Korea	10
FGM (Europe)	5
MENA	4
Stop Torture	4
Cash at bank	332

16. UNRESTRICTED FUNDS

	Fixed Asset reserve £000s	Total Designated Funds £000s	Total Undesignated Funds £000s	Total Unrestricted Funds £000s
At 1 January 2014	7,852	7,852	5,713	13,565
Utilised during year	-	-	2,673	2,673
Movement between reserves	(214)	(214)	214	-
At 31 December 2014	7,638	7,638	8,600	16,238
Represented by:				
Tangible fixed assets	9,541	9,541	-	9,541
Cash at bank	-	-	7,378	7,378
Net current assets	-	-	1,222	1,222
Long term liabilities	(1,903)	(1,903)	-	(1,903)
	7,638	7,638	8,600	16,238

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	2014	2013
	£000s	£000s
Surplus before taxation	2,798	457
Depreciation	372	412
Interest received	(47)	(39)
Interest paid	104	111
Exchange gain/(loss) on foreign currency holdings	13	(5)
Decrease in debtors	189	514
(Decrease)/increase in creditors	(296)	293
Net cash inflow from operating activities	3,133	1,743

Reconciliation of net cash outflow to movement in net funds	2014	2013
	£000s	£000s
Increase in cash	2,918	723
Cash inflow from changes in net debt	148	847
Movement in net cash	3,066	1,570
Opening net funds	2,990	1,420
Closing net funds	6,056	2,990

Analysis of net funds	1 Jan 2014	Cash flows	31 Dec 2014
	£000s	£000s	£000s
Cash in hand and at bank	5,041	2,918	7,959
Debt due after one year	(2,051)	148	(1,903)
	2,990	3,066	6,056

18. COMMITMENTS UNDER OPERATING LEASES

Operating leases which expire	£000s	£000s
Within one year	49	66
In two to five years	141	147
	190	213
Analysed between		
Hire of plant and machinery	46	46
Other operating leases	144	167
	190	213

19. RELATED PARTY TRANSACTIONS

Amnesty International 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.

Related Entity transactions

During the year the following transactions took place with related entities reflecting monies flowing out.

	2014	2013
	£000s	£000s
Grant to Amnesty International Limited for research into human rights violations	(8,733)	(8,435)
Restricted grants made to Amnesty International Limited for furtherance of charitable objectives	(135)	(253)
Contribution made to Amnesty International European Institutions office	(269)	(239)