



Amnesty International
United Kingdom

Report of the Boards on the pro-forma

**COMBINED
FINANCIAL
STATEMENTS**

for the nine-month period
ended 31 December 2010

Amnesty International United Kingdom

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COMBINED FINANCIAL STATEMENTS

for the nine-month period ended 31 December 2010

Amnesty International United Kingdom Section – a company limited by guarantee

Company reg. number 1735872
Date of incorporation 30 June 1983

Board members

Tom Hedley (chair)
Ciaranan Helferty (vice chair)
Brian Landers (treasurer; co-opted 18 Sep 2010)
Duncan Booth
Caroline Fisher aka Pepper Harow)
Emma France
Katie Boothby
Rona Keen
Réshad Suffee
Peter James Murray (re-elected 7 May 2010)
Sharmila Kar (elected 7 May 2010)
Sarah O'Grady (elected 7 May 2010)
Collette Anne Crill (elected 7 May 2010)
David Callow (retired 7 May 2010)
Alex Siddall (retired 7 May 2010)
Christine Usher (retired 7 May 2010)
Glyn Isherwood (retired 4 Dec 2010)

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

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

Board of trustees

David Norgrove (chair)
Tom Hedley
Caroline Fisher (aka Pepper Harow)
Stuart Hathaway (re-elected 14 May 2010)
Angela Crack (appointed 14 May 2010)
Chris Usher (retired 11 April 2010)
Brian Landers (appointed 18 Dec 2010)
Glyn Isherwood (retired 4 Dec 2010)
Grainne Walsh (retired 4 Dec 2010)

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 Moscoquiri
Martin Tyler
Brian Landers (appointed 23 March 2011)
Christine Usher (resigned 12 July 2010)
Glyn Isherwood (retired 23 March 2011)

Secretary and Registered office

Martin Tyler
The Human Rights Action Centre
17-25 New Inn Yard
London EC2A 3EA
Tel: 020 7033 1500
email: financecontact@amnesty.org.uk

Bankers

Co-operative Bank plc
9 Prescott Street
London E1 8BE

External auditors

BDO LLP
East Street
Epsom KT17 1HS

Internal auditors

Sayer Vincent
8 Angel Gate
City Road
London EC1V 2SJ

Solicitors

Bates, Wells & Braithwaite
138 Cheapside
London EC2V 6BB

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 nine-month period ended 31 December 2010. 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 Board has therefore decided to recognise this confusion by publishing the combined results of the AIUK organisations to help understanding of the overall picture.

The financial statements of Amnesty International (UK Section) Charitable 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 International UK Section and 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 in London consisting 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 objective 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 Charity Limited to conduct its worldwide research into the observance and abuses of human rights. It also part-funds projects undertaken by the UK Section.

The Charities Act 2006 made the advancement of human rights a legally enshrined specific charitable purpose. In addition, clarification by the Charity Commission makes it clear that charities are allowed to carry out political activities in support of charitable purposes.

The 2006 AGM passed a motion to enable the UK Section to obtain charitable status if their Board were satisfied that all requirements had been met. However detailed discussions with the Charity Commission to progress this matter identified that there were still many uncertainties as to whether the Charity Commission would view all of their activities as being charitable or not. As a result their Board is no longer looking to pursue the registration of the UK Section as a registered charity. However the Boards are reviewing the structure of both companies as we believe there may be changes that could be made that would increase the ability for Amnesty to receive the tax benefits that other UK charities receive. Should this require any element of constitutional change this will be brought to future AGM's of the UK Section.

Governance

i) UK SECTION

The UK Section is a membership based Company Limited by Guarantee, managed by a Board of 15 individual members, 12 of whom are elected by the whole membership. The Board has the power to co-opt the remaining three places on the basis of a skills audit of the existing Board members to ensure the most appropriate skills are obtained. It has permission from the Registrar of Companies to omit 'Limited' from its title. Its Board is elected by universal franchise of its members. Individual voting membership of the UK Section stood at 152,768 (156,555 at March 2010). 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 Company Limited by Guarantee and is controlled by its Trustees (who are the Directors and Members). The Trustees are appointed by the Board of UK Section; some of the Trustees are normally 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 a gap 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, and they regularly receive training and presentations from experts on their roles and responsibilities. The Trustees have delegated oversight of the business and financial affairs of the UK Trust to a Finance Sub-Committee, which comprises some Trustees, Board 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 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 individual published accounts.

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 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. Its 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 external 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. We also note the provisions of the Charities Act 2006 which have made the advancement of human rights a charitable purpose.

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 a sentiment 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 166 full-time salaried staff (see note 10) based in offices in London, Belfast, Cardiff 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 happen because of 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.

Activities and achievements

INDIVIDUALS AT RISK OF HUMAN RIGHTS ABUSE

Cases for action are identified by researchers at Amnesty's International Secretariat, which is also based in the UK. AIUK takes up all the cases requiring an immediate response – for example to prevent forced evictions, avert torture or imminent execution. The information is sent out to members of the Urgent Action Network (UAN), who send appeals by email or fax on behalf of the people in danger. We also produce a weekly e-bulletin about urgent cases requiring government action and send it to the UK Foreign and Commonwealth Office, which distributes it to desk officers and UK embassies overseas. An electronic newsletter for our campaign for individuals at risk was started up this year. It goes to members of the UAN, pledge donors, local groups and country coordinators.

DIGNITY

The Demand Dignity campaign tackles global poverty by helping the poor stand up for their human rights. We recognise that the most basic of human rights – to food, clean water and sanitation, education and medical treatment – are denied to billions of people simply because they are poor. Our role is to amplify people's voices so their stories can be heard, and demand effective responses from political leaders. We focus on two key areas:

Maternal mortality - In some western European countries, just one woman in 25,000 dies during pregnancy or childbirth. But in sub-Saharan Africa, the lifetime risk of maternal mortality is 1 in 26, and as high as 1 in 7 in some countries. In 2000 world leaders recognised this global health emergency in two of the UN's millennium development goals. These goals are very far from being achieved and during 2010 Amnesty's Demand Dignity campaign turned a spotlight on this human rights scandal and put pressure on the world's governments to deliver what they promised 10 years ago.

Corporate accountability - Amnesty uncovered strong evidence that Shell's efforts to clean up its mess in the Niger Delta area of Nigeria have been inadequate. Amnesty called for a comprehensive clean-up, in consultation with affected communities. As well as lobbying and letter-writing, the campaign featured hard-hitting posters and leaflets and a short film that became a YouTube hit. In May 2010 Amnesty made an online appeal for funds to pay for newspaper ads and a mobile billboard aimed at shareholders attending Shell's annual general meeting. A few days later Shell announced it would spend \$2bn reducing gas flaring in the Niger Delta. The campaign continues, calling on Shell for a comprehensive clean up and on the Nigerian government for effective regulation of the oil industry.

REFUGEES AND ASYLUM-SEEKERS

Amnesty International aims to bring about a fair and effective asylum system in the UK and elsewhere. We are campaigning with 40 other organisations in the Still Human Still Here coalition to end the enforced destitution of refused asylum seekers. Positive developments in 2010 included a concession granting permission to stay for those who have been in the UK for some time and who cannot be returned to their own country. Also, financial support levels for otherwise destitute asylum seekers have increased. Amnesty also provides expert evidence in asylum cases, helping asylum seekers to demonstrate the validity of their claims. For example, in a judicial review case concerning a lesbian asylum seeker from Uganda, we provided information on the human rights situation for the Ugandan LGBT community and on the situation the claimant would face if she was forced to return. The judge described our evidence as 'worthy of considerable respect'; the decision established a precedent for future treatment of LGBT asylum seekers from Uganda – and the claimant was granted refugee status in the UK after a successful appeal.

CONTROL ARMS

July 2010 was a historic moment for the development of the Arms Trade Treaty (ATT) as formal negotiations began at the UN preparatory conferences. Difficult issues and decisions remain ahead, but progress was made to ensure that the widest possible definition of conventional weapons should be at the heart of the treaty, as well as strong commitments to human rights and international humanitarian law. Amnesty, in the Control Arms Coalition with Oxfam and the International Action Network Small Arms is keeping up the pressure as a few sceptical governments remain determined to weaken and delay progress. Only a genuinely robust and comprehensive ATT will help reduce armed violence and protect human rights.

It was also a historic year for the campaign to eradicate

Cluster munitions. In April 2010 the UK ratified the 2008 Convention to ban cluster bombs, with new laws to end direct financial support for cluster bombs production and a government commitment to end indirect financial support. In August 2010, the Cluster Bombs Convention came into force.

SECURITY AND HUMAN RIGHTS

In January 2009 the new American president, Barack Obama, promised to close the detention centre at Guantánamo Bay. However Guantánamo is still open. Amnesty continues to urge the US government to find solutions for all those held at Guantánamo. The UK also retains measures which violate suspects' human rights, such as 28-day detention without charge and 'control orders' (house arrest). Both measures are due for review in spring 2011. Amnesty has consistently campaigned for them to be scrapped, arguing that suspects should be charged and given a fair trial, or freed.

DEATH PENALTY

Amnesty International campaigns for the abolition of the death penalty across the world. In January 2010 Mongolia declared an official moratorium on executions, joining the growing number of countries turning their backs on the ultimate cruel, inhuman and degrading punishment. Amnesty members wrote urgent appeals on behalf of individuals at risk of execution.

COUNTRY CAMPAIGNING

The military regime has a stranglehold on the country's media, so it is difficult for Burmese people to receive accurate, unbiased news about what is going on in their own country. In July 2010 Amnesty launched a financial appeal to help supply cheap radios which are already helping Burmese people, particularly in rural areas, gain access to uncensored information from outside Burma. Thousands of radios were delivered in the run-up to the 2010 election. Amnesty staff who visited the region reported 'very positive' feedback and a demand for thousands more. Another appeal has been launched, to raise funds for 10,000 more radios.

LESBIAN, GAY, BISEXUAL AND TRANSGENDER (LGBT) RIGHTS

Our campaigning aims to expose human rights abuses against lesbian, gay, bisexual and transgender people. We challenge governments and state authorities to fulfil their responsibility to protect LGBT people from such abuses. 'Love is a human right' was the message of placards carried by Amnesty activists at the Pride 2010 march in London – and at similar events in cities across Europe. In Belgrade, Serbia, the message did not seem to have reached counter-demonstrators attempting to attack marchers in the city's first Pride since 2001. In that year the police had stood by as extreme nationalists and hooligans beat the marchers. But in 2010 the authorities took their responsibility more seriously, and the march itself went ahead peacefully. The Baltic Pride event in Vilnius, Lithuania, was also a success.

STOP VIOLENCE AGAINST WOMEN

In the UK the campaign ran from 2003 to 2010 and set out to challenge the attitudes that tolerate and normalise violence against women. Some women who come to the UK are

placed at a double disadvantage if they find themselves the victim of a violent or abusive relationship. Their limited visa status only allows them to stay in the country as long as they have 'no recourse to public funds' such as housing benefit or income. This means they are unable to take shelter at a women's refuge. Following a mass lobby of Parliament in December 2009 the then Labour government launched a three-month pilot scheme to protect such women, later extended to August 2010. There were fears that the incoming Coalition government would axe the scheme, but in July 2010 the new home secretary, Teresa May, said that 'some things are too important not to do'. Despite the government's extensive spending cuts programme, Teresa May said the government would fund the No Recourse pilot project until March 2011. Amnesty's work on women's rights has not ended with the close of the SVAW campaign. A Women's Human Rights Programme will be launched in January 2011.

REACHING OUT

We use a wide range of media and methods to catch people's interest, explain what human rights are about, and inspire people to get involved in Amnesty's work. In the last twelve months this included:

Literature - in August Amnesty launched Gabriella Ambrosio's hard-hitting *Before We Say Goodbye*, a novel for young adults, based on a true story of the Israeli-Palestinian conflict. The artwork from Amnesty's prize-winning picture book *We Are All Born Free* is being exhibited in venues including the Gutman Museum in Tel Aviv.

Arts - collaboration with filmmakers, actors, writers, musicians and comedians helps us reach a wide audience. In March 2010 Keira Knightley, Annie Lennox, James Purefoy, Beverley Knight, Dervla Kirwan, Colin Salmon and Jonathan Pryce appeared in a short film for Amnesty calling on the UK government to make maternal and newborn health a priority in international development assistance.

Festivals - Edinburgh Festival-goers were photographed holding up their hands, each with the name of one of Burma's 2,200 political prisoners written on their palms. They became part of the 8,000-strong photo-petition presented to the Asia-Europe summit in October 2010.

Media - in 2009-10 Amnesty was mentioned in more than 2,500 UK newspaper and magazine articles, 4,000 online news stories and 600 TV and radio broadcasts.

On Line and Print - we reached thousands of new supporters in the past year via our presence on the web (amnesty.org and protectthehuman.com) and on social networking sites – primarily Facebook and Twitter. Facebook and Twitter have proved to be powerful tools for mobilising large numbers of supporters quickly on specific issues, such as the crackdown on democracy protesters in Iran and the campaign to get Shell to clean up its act in the Niger Delta. At the time of writing more than 32,000 people keep up to date with Amnesty UK news via Facebook and more than 20,000 via Twitter.

AMNESTY IN THE COMMUNITY

Activists take action online, write case appeals, and commit to sending urgent appeals as part of our Urgent Action Network. Some also contribute specialist knowledge and

skills to the organisation, or volunteer for such roles as speaking about Amnesty in schools. These include volunteer trainers who run workshops for local groups and Country coordinators who advise and support local groups with their work on country campaigns and the cases of individuals in those countries. They work in regional teams, which produce e-newsletters on their region.

It is never too early to become an Amnesty activist. During 2009 and 2010 we expanded our network of youth and student groups, whose members will, we hope, become the lifetime activists of the future. Amnesty now has more than 640 youth and 100 student groups in the UK. From the age of seven young people can join the Junior Urgent Action Network – sending monthly appeals specially prepared for people aged 7-11 and working with the help of a parent or teacher. Youth (12-18) and student groups were more active than ever.

HUMAN RIGHTS EDUCATION

Over the past decade human rights education has become more established in UK schools. Our strategy is to reach children and young people through their teachers. By offering quality materials, training and advice, we seek to encourage teachers to bring human rights issues into the classroom.

New for the autumn term in 2010 was a resource pack on the death penalty, aimed at stimulating debate among secondary school students. It includes a play for performing in assemblies and a film about the Troy Davis case. New for younger pupils was a free taster pack, *Learning About Human Rights in The Primary School*, launched by Julia Donaldson, best-selling author of *The Gruffalo*.

Lift Off is a cross-border primary human rights education project in Northern Ireland and the Republic of Ireland, which aims to promote an understanding of human rights issues among primary school children.

Meanwhile Amnesty's expanding programme of school speakers continues to take the human rights message into the classroom.

CAMPAIGNING IN THE NATIONS AND REGIONS

As well as the Human Rights Action Centre in London, we also have staffed offices in Belfast, Cardiff and Edinburgh. We do this to ensure that the Amnesty campaigns are coordinated and represented in these areas.

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 their research and campaigns. The team provides support and advice and promotes best practice in all its areas.

TRANSPARENCY AND ACCOUNTABILITY

AIUK is committed to transparency and accountability in all

its operations. A full description of how the organisation is governed, managed and funded, the nature of our work and the extent of our impact, is available in the 72-page Amnesty International United Kingdom Annual Report 2009/10. Download: www.amnesty.org.uk/annualreport

RESEARCH ON HUMAN RIGHTS VIOLATIONS

The UK Trust continues to part-fund research projects commissioned by Amnesty International Charity Limited. The areas covered included combating discrimination, justice and impunity, physical and mental integrity, people in armed conflict, rights of uprooted people, domestic and sexual violence suffered by women and girls, and support for economic, social and cultural rights.

A full account of the work undertaken worldwide 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 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 Boards have decided to allocate these recruitment costs between Costs of Generating Voluntary Income and Expenditure on Charitable Activities on a 60/40 ratio.

The target for the UK Section for the nine-month period to December 2010 was to recruit 6,961 new members and maintain a retention rate for committed giving members of 90 per cent. The number actually recruited was below target at 6,688. The current retention rate for committed giving members is above previous forecasts at 91.8 per cent. The overall membership dropped to 152,768 (March 2010: 156,555). In 2011 the plan is to recruit 6,000 new members and maintain a retention rate for committed giving members of 91 per cent.

The target for the UK Trust for the nine-month period to December 2010 was to recruit 22,379 new supporters and to maintain a retention rate for committed giving supporters of 77 per cent. The number actually recruited was below target at 7,228. The current retention rate is above previous forecasts at 82.4 per cent. The overall number of supporters rose to 49,193 (March 2010: 47,661). In 2011 the plan is to recruit 32,000 new supporters and maintain a retention rate for committed giving supporters of 77 per cent.

In addition to the regular and committed-giving members and supporters above, we also benefited from many single donations taking the total number of active financial supporters to 224,521 for the period.

Financial review

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

CHANGE OF ACCOUNTING PERIOD

In order to align the accounting year-ends of the worldwide Amnesty movement the Boards agreed to change their year-ends from March to December. An aligned accounting year will allow Amnesty to provide a more transparent picture of its global income and how those financial resources are allocated. Consequently AIUK are reporting on a nine-month accounting period from 1 April 2010 to 31 December 2010.

WHAT WE PLANNED FOR THE NINE-MONTH PERIOD TO DECEMBER 2010

The budget for the nine-month period from April to December 2010 was set during February 2010. At that time, mindful of the projected surplus reserves of around £4 million, the Boards agreed significant investments in three main areas:

- A budget of £2.4 million for the recruitment of new Amnesty supporters and activists. This was based on the desire to grow our support base which in turn allow us to increase our funding of human rights campaigning work throughout the global Amnesty movement
- An additional voluntary contribution of £400k to the global Amnesty movement (and to consider making similar additional contributions during 2011 and 2012) with this being allocated in 2010 towards initiatives in the "BRICS" countries.
- An allocation of £440k for the development of a new website to allow supporters and activists to interact with Amnesty more effectively.

The Boards agreed a budget deficit of £1.7 million for the nine-month period in 2010, and also noted projected deficits totaling a further £1.4 million in the following two years.

PERFORMANCE DURING THE PERIOD

It became obvious quite early in the nine-month period that we would find it difficult to make the investment in recruitment that we had planned. The economy continued to stagnate and some of the recruitment agencies that we hoped to use ceased operations; others consolidated or reduced in size. Because of the way agency contracts are structured we only pay for the number of supporters recruited resulting in a significant underspend against budget for this activity. By the end of December we had fallen very short of target for recruitment, but this was partly compensated by the commitment of our existing supporters to remain with us despite the general economic situation. Overall our number of active financial supporters declined slightly from 225,605 to 224,541.

We also encountered delays in the planned investment in our website development; it took us longer than we thought to agree the contract and details of the work with the firm we chose to undertake this project. Despite the delay this work is now underway, however much of the expenditure will now be incurred during 2011.

Expenditure variances in the above two projects were the main reason that our planned deficit of £1.7 million has

become a surplus of £550k.

Apart from those two projects, the rest of the income and expenditure areas were broadly in line with expectations. Our gross income was very close to budget although there were some variations among the various income lines; major donor and gift aid income were higher than expected with other income areas below budget and in line with the continuing economic downturn.

Other expenditure areas were slightly below budget. As well as undertaking a cost review exercise during the budget setting period, we continued this process during 2010 year focusing in the support cost areas.

NET CURRENT ASSETS AND BALANCE SHEET

The surplus for the year of £550,000 is the main driver of the £700,000 increase in our net current assets. The main movement in the net current assets was an increase in debtors of £800,000. This was due to the delay in submitting gift aid tax reclaims while we undertook a major gift aid declaration review exercise to ensure that we had a 100% compliance with legal requirements.

RESERVES TARGETS AND REVIEW

It has never been our intention to build up reserves beyond the targets that the Boards have set, however we do recognise our surplus reserves, currently at £4.8 million, have been above the target level for a number of years. This has occurred for a variety of reasons; difficulty in achieving our ambitious fundraising plans, higher than expected legacy income (difficult to predict for obvious reasons) and generally being quite conservative in our budgeting; perhaps advisable in a period of economic uncertainty. Even allowing for the projected deficit in 2011, we would still be in surplus at the end of 2011 albeit by a significantly reduced amount.

As discussed below in our statement of risks and reserves, we take a risk based approach to reserves. It is some years since we have had a thorough review of the major risks that the organisation faces as well as how they are managed. In order to get an independent assessment of this we have asked our internal auditors, Sayer Vincent, to undertake this work. This will be completed during 2011 and will include an updated assessment of the level of reserves that we should hold in relation to those risks.

BUDGET 2011 AND BEYOND

During 2010 the leadership team within AIUK developed a clear strategic direction for the next six years. The main financial component was to accept the challenge set by the global Amnesty movement to increase our total income by 35% between 2011 and 2016. This is a difficult target, but it is one we want to tackle because we recognise the need for Amnesty to have more effective human rights impact in the global south and east. We intend to achieve our financial commitments to the movement without undermining our ability to maintain effective campaigning work in the UK.

Although we increased our income by a similar percentage between 2004 and 2010, this would be quite a step up during difficult economic times. We are also mindful that we have not always met our hoped for supporter recruitment numbers in recent years. Nevertheless, we are driven by the desire to

increase our human rights work and we recognise that the most sustainable way to fund this work over the long-term is to begin to invest in new supporters and activists now.

Board meetings in December 2010 agreed investments of up to £4.3 million in recruiting new supporters resulting in a projected budget deficit for 2011 of £3.8 million. The £4.3 million allocation will be released by the Boards in tranches subject to regular updates on progress at Board meetings during the year.

Increased supporter recruitment is one way to help us achieve our financial plans, but in 2011 we will also need to review other ways in which we can achieve a step change in our fundraising.

CORPORATE RELATIONS

One of Amnesty International's key values is its total independence; this applies to the sources of its funding as well as to the subjects of its campaigns. For some time the international movement has been considering Amnesty's relationships with the corporate sector and concerns over how such relationships might be viewed in the context of protecting Amnesty's reputation in its campaigning work in the field of business and human rights.

In November 2007 the International Executive Committee finalised its policy on this subject which is binding on all Amnesty sections and structures. Following this the Boards agreed procedures for use within AIUK to implement this policy and to measure approve and monitor relationships with the corporate sector.

In the interest of transparency and accountability, the international policy is published on AIUK's website and the guidelines are available to members upon request. In 2008 AIUK implemented new procedures to ensure corporate gifts of money and gifts in kind are recorded and ethically checked before the donation is accepted.

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.

Statement on risk and reserves

1. OVERVIEW

The Boards are aware of the need to assess the risks faced by the organisations and respond in such a way as 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. This register has been updated during the year and reflects the major risks affecting the charity.

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.

2. 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
- ongoing 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: we have recently appointed a full-time transparency and accountability manager to develop this in all of our work
- 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 88 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.

3. 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 Director 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.

4. RESERVES POLICY

The Boards take a risk based approach to reserves, therefore our policy is to hold a level of unrestricted free reserves (ie ignoring tangible fixed assets to the extent that they are not funded by debt) sufficient to meet the quantification of the risks on the risk register.

As at 31 December 2010 the unrestricted free reserves stood at £8.5 million.

The target 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.

SURPLUS OF RESERVES ABOVE REQUIREMENT

The surplus of free reserves above target at 31 December 2010 stood at £4.8 million. (The UK Section held surplus reserves of £3.7 million and the UK Trust held surplus reserves of £1.1 million).

Included in the above surplus of reserves is legacy income of £0.4 million which had not been received at the year end.

Auditors

All of the current board members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The 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 Boards and authorised for issue on

2nd April 2011



Tom Hedley, Chair

REPORT OF THE INDEPENDENT AUDITORS OF AMNESTY INTERNATIONAL UNITED KINGDOM

To the Boards of Amnesty
International United Kingdom

We have audited the accompanying proforma combined financial statements of the entities listed in Note 2 (together "the Organisation") (the "financial statements") for the nine-month period ended 31 December 2010 which comprise the Combined Statement of Financial Activity, 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 Board's 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 proforma financial statements in accordance with the basis of accounting and the accounting policies set out on pages 18 to 19.

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 proforma 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 Auditing Practices Board's (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION

In our opinion:

- The proforma 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 is consistent with the financial statements.

BDO 118

Don Bawtree (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick
United Kingdom

Date: 8 April 2011

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

COMBINED STATEMENT OF FINANCIAL ACTIVITIES

for the nine-month period ended 31 December 2010

	Note	Unrestricted Funds 9 mths Dec-10 £000s	Restricted Funds 9 mths Dec-10 £000s	Endowment Fund 9 mths Dec-10 £000s	Total 9 mths Dec-10 £000s	Total Mar-10 £000s
Incoming resources from generated funds						
Voluntary income						
Subscriptions and donations from members and supporters	3	12,191	184		12,375	15,711
Legacies	3	1,553	-		1,553	2,571
Gift Aid	3	1,169	-		1,169	1,442
Grants	3	-	278		278	322
Total voluntary income		14,913	462		15,375	20,046
Activities for generating funds	4	2,112	-		2,112	2,780
Income from pursuit of objectives	5	200	-		200	210
Investment and other income	6	65	-		65	103
Total incoming resources		17,290	462	-	17,752	23,139
Expenditure						
Cost of generating voluntary income	3	3,232	5		3,237	4,717
Activities for generating funds	4	1,129	-		1,129	1,487
Total cost of generating funds		4,361	5		4,366	6,204
Expenditure in pursuit of objectives						
Human rights campaigning	7	5,889	261		6,150	7,932
Research: human rights violations	7	5,119	-		5,119	6,790
Investment in activist recruitment	7	1,228	-		1,228	1,789
Total expenditure in pursuit of objectives		12,236	261		12,497	16,511
Governance costs	8	335	-		335	373
Total resources expended		16,932	266	-	17,198	23,088
Net surplus for the year before revaluation		358	196	-	554	51
Unrealised loss on revaluation of investment asset	15	-	-	(4)	(4)	(12)
Net movement on funds		358	196	(4)	550	39
Total funds brought forward	15/16	15,624	169	224	16,017	15,978
Total funds carried forward	15/16	15,982	365	220	16,567	16,017

All amounts relate to continuing activities. There are no recognised gains or losses other than the surplus for the year. The notes on pages 18 to 28 form part of these financial statements.

COMBINED BALANCE SHEET

at 31 December 2010

	Note	Dec-10 £000s	Dec-10 £000s	Mar-10 £000s	Mar-10 £000s
Fixed assets					
Tangible fixed assets	12	10,768		11,091	
Investments	12	220		224	
			10,988		11,315
Current assets					
Debtors	13	2,160		1,363	
Cash at bank and in hand		8,041		8,255	
		10,201		9,618	
Creditors: amounts falling due within one year	14	(1,068)		(1,197)	
Net current assets			9,133		8,421
Creditors: amounts falling due after more than one year	14		(3,554)		(3,719)
Total assets less current liabilities			16,567		16,017
Reserves					
Restricted					
Endowment	15	220		224	
Grants	15	365		169	
			585		393
Unrestricted					
Undesignated	16	15,932		15,574	
Designated	16	50		50	
			15,982		15,624
Total reserves			16,567		16,017

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

2nd April 2011



Brian Landers, Treasurer

The notes on pages 18 to 28 form part of these financial statements.

COMBINED CASH FLOW STATEMENT

for the nine-month period ended 31 December 2010

	Note	9 mths Dec-10 £000s	9 mths Dec-10 £000s	Mar-10 £000s	Mar-10 £000s
Net cash inflow from operating activities	17		74		957
Returns on investment and servicing of finance					
Interest received	6	35		80	
Interest paid	9	(149)		(234)	
Net cash outflow from return on investments and servicing of finance			(114)		(154)
Taxation					
Corporation tax paid	11		0		0
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets	12	(9)		(140)	
Net cash outflow from capital expenditure and financial investment			(9)		(140)
Financing					
Decrease in long term debt			(165)		(94)
(Decrease)/increase in cash			(214)		569

The notes on pages 18 to 28 form part of these financial statements

NOTES FORMING PART OF THE PRO FORMA COMBINED FINANCIAL STATEMENTS

for the nine-month period ended 31 December 2010

1. AIMS AND ORGANISATION

Amnesty International United Kingdom 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 income and expenditure 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.

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 cent per annum
Leasehold buildings	2 per cent per annum
Plant and machinery	5 per cent per annum
Computer infrastructure	20 per cent per annum
Computer equipment	33 per cent per annum
Office equipment	20 per cent per annum
Office furniture	10 per cent per annum
Leasehold improvements	10 to 20 per cent per annum
Freehold land	not depreciated

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 (March 2010 £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 nine-month period to 31 December 2010.

3. GENERATION OF VOLUNTARY INCOME

	Unrestricted 9 mths Dec-10 £000s	Restricted 9 mths Dec-10 £000s	Total 9 mths Dec-10 £000s	Total Mar-10 £000s
Voluntary Income				
Subscriptions and donations from supporters and members	12,191	184	12,375	15,711
Legacies	1,553	-	1,553	2,571
Gift Aid	1,169	-	1,169	1,442
Grants received (see note 3.1)	-	278	278	322
	14,913	462	15,375	20,046
Costs of generating voluntary income				
Investment in supporter recruitment	1,843	5	1,848	2,684
Supporter care	537	-	537	729
General fundraising	819	-	819	1,194
Gift Aid	-	-	-	17
Legacies	33	-	33	93
	3,232	5	3,237	4,717
Net voluntary income generated	11,681	457	12,138	15,329

The 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 £658k of apportioned support costs. See note 9 – (March 2010 £882k)

3.1 RESTRICTED GRANTS RECEIVED

The following restricted income was received during the year:

£000s

Donations:

Amnesty International Australia	Burma Radio Appeal	88
Amnesty International Australia	Art for Amnesty	8
“Them and us” art exhibition proceeds	Art for Amnesty	2
From individual members and supporters	Burma Radio Appeal	53
From major donors	Burma Radio Appeal	33
		<u>184</u>

Grants:

Diana Princess of Wales Memorial Fund	Refugees (Still human still here)	63
Rowan Charitable Trust	Refugees (Still human still here)	50
JP Getty Junior Charitable Fund	Refugees (Still human still here)	30
Persula Foundation	Art for Amnesty	25
The Co-operative Group (CWS) Ltd	Burma	25
Tolkien Trust	Stop violence against women	20
Balcombe Trust	Individuals at risk	20
Department of Education Northern Ireland - DENI	Lift off project	18
City Parochial - London Trust	Refugees (Still human still here)	10
William A Cadbury Charitable Trust	Lift off project	9
Henry C Hoare Charitable Trust	Burma	1
CB & HH Taylor Trust	Stop violence against women	1
Amicus Foundation	Trade union programme	1
City of London Solicitors Charitable Fund	Individuals at risk	1
Millward & Family Charitable Trust	Burma	1
Millhouses Charitable Trust	Burma	1
Castleforth Charitable Trust	Israel	1
Eva Reckitt Trust Fund	Individuals at risk	1
		<u>278</u>

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
	9 mths	9 mths	9 mths	Mar-10	Mar-10	Mar-10
	Dec-10	Dec-10	Dec-10	Mar-10	Mar-10	Mar-10
	£000s	£000s	£000s	£000s	£000s	£000s
Shops	338	325	13	410	422	(12)
Sales	131	92	39	146	119	27
Corporate Relationships	275	10	265	346	60	286
Royalties	4	5	(1)	86	25	61
Community fundraising	533	263	270	736	360	376
Events	26	81	(55)	51	134	(83)
Appeals	443	212	231	695	265	430
Raffles	362	141	221	310	102	208
	<u>2,112</u>	<u>1,129</u>	<u>983</u>	<u>2,780</u>	<u>1,487</u>	<u>1,293</u>

Included in the costs of activities for generating funds is £241k of apportioned support costs. See note 9 (March 2010 £325k) 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

	9 mths	Mar-10
	Dec-10	Mar-10
	£000s	£000s
Income from human rights publications and campaigning materials	<u>200</u>	<u>210</u>

6. INVESTMENT INCOME

	9 mths Dec-10 £000s	Mar-10 £000s
Interest receivable on bank deposits	35	80
Other income	30	23
Total investment and other income	65	103

7. EXPENDITURE IN PURSUIT OF OBJECTIVES

	9 mths Dec-10 Unrestricted £000s	9 mths Dec-10 Restricted £000s	9 mths Dec-10 Total £000s	Mar-10 Total £000s
Human Rights Campaigning				
Production and distribution of human rights publications and campaigning materials	1,165	-	1,165	1,631
Human rights education	595	-	595	669
Media	512	-	512	629
Policy	479	-	479	519
Nations and regions	423	21	444	577
Individuals at risk	327	2	329	409
Refugees & asylum	124	74	198	246
Amnesty in the community	186	-	186	262
Grants to AIEU Section	176	-	176	231
Country campaigning	114	51	165	100
Arts for amnesty	52	87	139	74
Stop Violence Against Women	115	20	135	237
Youth activism	130	-	130	177
Dignity	129	-	129	131
Corporate & social responsibility	104	-	104	159
Control arms	73	-	73	89
Lesbian, gay, bisexual, transexual	56	-	56	68
Terrorism, security & human rights	17	6	23	92
Death penalty	21	-	21	25
International movement support	-	-	-	52
Campaigns and activism support	1,091	-	1,091	1,555
Total human rights campaigning	5,889	261	6,150	7,932
Research into and relief of human rights violations				
Grant to Amnesty International Charity Limited	5,119	-	5,119	6,790
Total research: human rights violations	5,119	-	5,119	6,790
Investment in activist recruitment				
Investment in activist recruitment	1,069	-	1,069	1,597
Support costs apportioned (see note 9)	159	-	159	192
Total investment in activist recruitment	1,228	-	1,228	1,789
Total expenditure in pursuit of objectives	12,236	261	12,497	16,511

Included in the cost of human rights campaigning is £2,138k of apportioned support costs. See note 9 – (March 2010 £2,807k)

A full discussion of all AIUK's activities appears in the Directors' report on pages 6 to 13.

8. GOVERNANCE COSTS

	9 mths Dec-10 £000s	Mar-10 £000s
Members' annual general meeting and national conference	170	185
International council meeting (biennial meeting of global movement)	2	28
Other direct governance costs	163	160
Total governance cost	335	373

None of the Directors received remuneration during the nine-month period. The total of expenses re-imbursed to Directors was £7,440, including £2,613 paid to the Chair. All expenses related to travel, accommodation and subsistence costs incurred in relation to attendance at Board meetings, other governance meetings and Amnesty events. Our governance costs often fluctuate due to the timing of our AGM and biennial council meetings; there were no major international council meetings in the current period but there was one in the previous year. Included in governance costs is £30k of apportioned support costs. See note 9 – (March 2010 £32k).

9. SUPPORT COSTS

	9 mths Dec-10 £000s	Mar-10 £000s
Staff costs (including agency costs)	1,033	1,339
Staff and volunteer training and welfare	232	309
Premises costs	597	805
Irrecoverable VAT	279	353
Interest payable on mortgage loan	149	234
Depreciation	327	576
Other support costs	609	622
Total support costs	3,226	4,238

Apportionment of support costs

	9 mths Dec-10 £000s	Mar-10 £000s
Cost of generating voluntary income	658	882
Activities for generating funds	241	325
Human rights campaigning	2,138	2,807
Investment in activist recruitment	159	192
Governance	30	32
Total support costs apportioned	3,226	4,238

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

	9 mths Dec-10 £000s	Mar-10 £000s
Wages and salaries	4,562	5,944
Social security costs	482	627
Pension costs	266	343
	5,310	6,914

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:

	Full-time equivalents	Cost £
Cost of generating voluntary income	33	984
Activities for generating funds	10	312
Human rights campaigning	92	2,922
Support	30	1,058
Governance	1	34
Total	166	5,310

There were 216 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 166 full-time posts.

Salary band £000s	9 mths Dec-10 numbers	Mar-10 numbers
0 - 10	22	31
10 - 20	47	35
20 - 30	47	53
30 - 40	60	55
40 - 50	26	32
50 - 60	10	8
60 - 70	3	2
70 - 80	-	-
80 - 90	-	1
90 - 100	1	-
	216	217

As we are currently reporting a nine-month period we have uplifted the current year numbers in each salary band to allow a proper comparison with the prior twelve month period.

11. TAXATION

	9 mths Dec-10 £000s	Mar-10 £000s
Taxation on profit on ordinary activities		
Current tax	-	-
Deferred tax		
Movement in deferred tax provision	-	-
Taxation on profit on ordinary activities	-	-
Reconciliation		
	9 mths Dec-10	Mar-10
Profit on ordinary activities before tax	550	39
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28%	154	11
Net non-taxable income	(181)	(121)
Depreciation on non qualifying expenditure	80	147
Capital allowances in excess of depreciation	4	7
Decrease in losses	(57)	(44)
Current tax charge for period	-	-
The year end unprovided deferred tax asset comprises		
	Dec-10 £000s	Mar-10 £000s
Capital allowances	(57)	(53)
Losses	(527)	(583)
Provisions and accruals	(12)	(12)
	(596)	(648)

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 April 2010	9,824	1,691	870	700	19	13,104
Additions	-	-	2	7	-	9
Disposals	-	-	(112)	(8)	(1)	(121)
at 31 Dec 2010	9,824	1,691	760	699	18	12,992
Depreciation						
at 1 April 2010	737	435	505	326	10	2,013
Charge for the year	94	63	106	62	2	327
Disposals	-	-	(109)	(6)	(1)	(116)
at 31 Dec 2010	831	498	502	382	11	2,224
Net book value						
at 31 Dec 2010	8,993	1,193	258	317	7	10,768
at 31 March 2010	9,087	1,256	365	374	9	11,091

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 before the tenant took over the responsibility for the works. The cost of the land included above is £3,500,000.

During the accounting period we continued to review and write off any assets no longer in use. From 1 January 2011 we will only capitalise assets costing £1,000 and above.

Investments

	9 mths Dec-10 Total £000s	Mar-10 Total £000s
Opening market value at 1 April	224	236
Unrealised loss for the year	(4)	(12)
Closing market value at 31 Dec 10 & 31 Mar 10	220	224
Historical cost at 31 Dec 10 & 31 Mar 10	134	134

By a declaration of Trust dated September 1999, the Trust was made the beneficiary of a gift from David T K Wong of US \$350,000 United States Federal Government Zero Coupon Bonds maturing in November 2011 and November 2015. These bonds were valued at £224k at the balance sheet date. After maturity of the bonds, the Trustees are obliged to maintain the capital grant in perpetuity and apply the income of the Fund in furtherance of the Trust's charitable objectives.

The Trustees wish to express their gratitude to Mr Wong for this extremely generous donation towards their future work.

13. DEBTORS

	Dec-10	Mar-10
	£000s	£000s
Tax recoverable on gift aid	1,165	251
Accrued legacy income	360	528
Trade debtors	113	53
Other debtors, prepayments and accrued income	424	416
Value Added Tax recoverable	98	115
	2,160	1,363

All amounts are due within 12 months.

14. CREDITORS

Amounts falling due within one year

	Dec-10	Mar-10
	£000s	£000s
Trade creditors	628	625
Accruals and deferred income	213	362
Payroll taxes and other creditors	227	210
	1,068	1,197

Amounts falling due after more than one year

	Dec-10	Mar-10
	£000s	£000s
Mortgage loan	3,554	3,719

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 fixed at 6.1875% until October 2010. We have refixed our rate 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 is charged at a variable interest rate, currently 1.75%.

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 April 2010	224
Unrealised loss for the year	(4)
Closing market value at 31 December 2010	220
Represented by:	
Fixed Assets	220
	220

The endowment fund represents a listed investment stated at market value which must be held until the maturity dates in November 2011 and November 2015 (see note 12).

Restricted grants	Total £000s
At 1 April 2010	169
Income (see note 3.1)	462
Expenditure (see note 7)	(266)
At 31 March 2010	365
Represented by:	
Burma Radio Appeal	146
Refugees (Still human still here)	107
Art for Amnesty	53
Lift off project	36
Individuals at risk	20
Stop violence against women	1
Trade union programme	1
Israel country work	1
Cash at bank	365

16. UNRESTRICTED FUNDS

Unrestricted funds	Crisis Response £000s	Total Designated Funds £000s	Total Undesignated Funds £000s	Total Unrestricted Funds £000s
At 1 April 2010	50	50	15,574	15,624
Utilised during year	-	-	358	358
At 31 December 2010	50	50	15,932	15,982
Represented by:				
Tangible fixed assets	-	-	10,768	10,768
Cash at bank	50	50	7,626	7,676
Net liabilities	-	-	(2,462)	(2,462)
	50	50	15,932	15,982

Designated funds are treated as unrestricted funds in the balance sheet.

Crisis response

From time to time, Amnesty International declares a human rights crisis in a particular country or region. In these circumstances it is vital that national sections have the capacity to respond immediately and the Board of UK Section has designated £50,000 to fund whatever actions are considered appropriate to respond to future crises.

17. NOTES TO CASH FLOW STATEMENT

Reconciliation of operating surplus to net cash inflows from operating activities	9 mths Dec-10 £000s	Mar-10 £000s
Surplus before taxation	554	51
Depreciation	327	576
Loss on disposal of fixed assets	5	-
Interest received	(35)	(80)
Interest paid	149	234
(Increase)/decrease in debtors	(797)	590
Decrease in creditors	(129)	(414)
Net cash inflow from operating activities	74	957

Reconciliation of net cash flow to movement in net funds	9 mths Dec-10 £000s	Mar-10 £000s
(Decrease)/increase in cash	(214)	569
Cash inflow from changes in net debt	165	94
Movement in net cash	(49)	663
Opening net funds	4,536	3,873
Closing net funds	4,487	4,536

Analysis of net funds	At 1 April 2010 £000s	Cash flows £000s	At 31 Dec 2010 £000s
Cash in hand and at bank	8,255	(214)	8,041
Debt due after one year	(3,719)	165	(3,554)
	4,536	(49)	4,487

18. COMMITMENTS UNDER OPERATING LEASES

Operating leases which expire	Dec-10 £000s	Mar-10 £000s
Within one year	43	23
In two to five years	107	175
	150	198

Analysed between	Dec-10 £000s	Mar-10 £000s
Hire of plant and machinery	29	39
Other operating leases	121	159
	150	198

