



Amnesty International
(UK Section)
Charitable Trust

**TRUSTEES'
REPORT AND
FINANCIAL
STATEMENTS**

for the year ended 31 December 2012

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(UK Section)
Charitable Trust

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Contents

Legal and administrative details	5
Trustees' report including statement of Trustees' responsibilities	6
Report of the independent auditors	11
Statement of financial activities	12
Balance sheet	13
Cash flow statement	14
Notes forming part of the financial statements	15

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2012

Full name and registered address of the charity

Amnesty International (UK Section) Charitable Trust
The Human Rights Action Centre
17-25 New Inn Yard
London EC2A 3EA

Status of the charity

The charity was incorporated on 16 December 1995 as a company limited by guarantee and is governed by its Memorandum and Articles of Association. It took over at that date all the assets and liabilities of the Amnesty International British Section Charitable Trust.

Charity registration number – England & Wales
1051681

Charity registration number – Scotland
SC039534

Company registration number
03139939

Company secretary and charity correspondent

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

Trustees

David Norgrove (Chair) Re-appointed 14 July 2012
Stuart Hathaway
Angela Crack
Brian Landers
Grainne Walsh
Ciarnan Helferty
Sarah O'Grady
Harrison Littler

Chief executive and senior staff

Kate Allen Chief Executive
Tim Hancock Director of Campaigns
Tony Farnfield Director of Corporate Services
Kerry Moscogiuri Director of Marketing

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
138 Cheapside
London EC2V 6BB

TRUSTEES' REPORT

Objectives and activities

1. KEY OBJECTIVES AND STATEMENT OF BENEFITS

A key objective of the Trustees is to maximise the long-term funds available for grant making activities. Donations and related gift aid income from individual supporters have traditionally been 60 to 70 per cent of our income so maintaining effective recruitment methods is crucial in support of this objective.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing their objectives and in planning future activities. In particular, the Trustees 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, provides benefits to all of humankind.

2. KEY ACTIVITIES

The Trustees understand the importance of the Amnesty International 'brand' in securing the Trust's income, mainly from contributions from individual supporters, whose donations are solicited on the basis of the impact they will have on Amnesty International's worldwide promotion of human rights.

The Trustees therefore allocate the significant majority of the resources available for charitable purposes to Amnesty's international research. The Trustees were also able to utilise the wider objects of the Trust formally approved by the Charity Commission in 2005, to grant aid charitable activity carried out by Amnesty International United Kingdom Section (the "UK Section"). Small grants are also given to a number of organisations whose work is well known to the Trustees and which will complement the work of the Trust in areas outside the Trust's capabilities.

3. ACHIEVEMENTS AND PERFORMANCE

As discussed in their report last year, the Trustees allocated a large amount of financial resources to try to build up our supporter base to grow our future income. During 2011 these activities precluded support for the UK Section's campaigning programmes undertaken primarily in the UK. We are pleased to announce that we were able to resume the funding of these programmes. The areas of work funded included:

Human Rights Education

A key aspect of Amnesty's work is promoting human rights awareness throughout the education system – from primary schools to universities. Amnesty produce lesson plans and teaching materials and offer teachers training and advice. Amnesty UK's TeachRights network provides resources and information for more than 5,000 teachers who want to bring human rights into the classroom. Topics include the arms trade, child soldiers, the death penalty, freedom of expression and women's rights. We also have a range of groups, programmes, conferences and competitions for pupils and students across the UK. We currently send more than 150 trained volunteers to introduce Amnesty and its work to young people in schools, universities and educational settings across the UK. Enthusiastic and knowledgeable, they inspire young people and their teachers, who often go on to set up Amnesty youth groups

Individuals at risk of human rights abuse

Today Amnesty members are still writing in their hundreds of thousands – and making a difference to the lives and prospects of prisoners of conscience, their families and human rights defenders in the global appeal-writing campaign we now call Write for Rights. Whether it be a letter or a card of support, taking a photo or writing to the authorities, the campaign is a wonderful opportunity to show support and stand with women and men who have bravely dared to defend their human rights or are at risk of human rights abuse. This year we also asked people to send voicemails, texts and sign online blogs. Our letter-writing efforts go on all year, but were focused on 10 December – International Human Rights Day. The campaign has been estimated to be the single biggest human rights event in the world, yet it's all done with the simplest of resources – demonstrating just how powerful a force the combined actions of thousands of individuals can be.

Amnesty's Urgent Action Network is made up of 150,000 people around the world who are outraged by injustice and prepared to act swiftly at critical moments to stop particular abuses. For more than 35 years, the network has protected people from torture and ill-treatment, obtained the release of people who were wrongly - and sometimes secretly - detained, and secured access to medical treatment or legal counsel for prisoners. Sometimes it has even saved lives. Urgent action is based on a simple idea: when someone is in immediate danger of serious abuse, the government responsible for perpetrating or failing to prevent that abuse will receive thousands of faxes, telegrams, emails and air-letters from every part of the globe. Those messages tell the authorities that the world is watching, and create pressure to stop the abuse. Nowadays, this network tackles about 400 new cases and up to 300 updates each year, addressing not only torture but also death threats, the death penalty, 'enforced disappearance', forced repatriation, extrajudicial execution, secret detention, forced evictions and a range of other human rights violations.

Amnesty in the Community

Youth groups: there are currently more than 700 Amnesty groups in schools across the UK. Students take action, raise money, organise events, have fun and make new friends. Young people in 54 schools set up their own Amnesty groups, inspired by an Amnesty film about the Eastlea Community school's youth group, *I Talk Out Loud*. Students at the school in London were filmed mounting a campaign against stoning in Iran. It shows how standing up for human rights can transform the lives of campaigners as well as those for whom they campaign. The campaign made the headlines and the film has been shown across the globe and watched by thousands of people online. Students wrote passionately about subjects as diverse as sexual harassment, labour camps in Vietnam, abortions and prejudice for Amnesty International's Young Human Rights Reporter of the Year competition 2012.

Advocacy

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.

Activities in Scotland and Northern Ireland

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

A full description of the projects funded, the nature of the work and the extent of our impact, is available in the Amnesty International UK Annual Report.

Download: www.amnesty.org.uk/

Global research projects

The Trustees part-funded 140 research projects undertaken by the Amnesty International movement. We funded global projects co-ordinated by Amnesty's international secretariat covering a wide range of human right areas including:

- corporate accountability
- maternal health and sexual rights
- slums and forced eviction
- refugees and migrants
- arms control
- international justice
- criminal justice
- freedom of expression
- discrimination

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

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

Recruiting and retaining Amnesty supporters

At end of December 2012 the number of regular givers to the Trust was 77,036.

In 2012 the Acquisition team recruited 10,300 new regular Trust givers, below the target of 15,474. We retained 80% of the 52,628 regular trust givers who were active in December 2011.

Financial review

REVIEW OF THE YEAR

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005 in preparing the annual report and financial statements of the charity. The financial statements also comply with the charity's governing documents.

We are pleased to announce that our total income increased by 9% in 2012. This was due to a significant donation by a family trust and also from increased regular income from new supporters recruited during 2011. Our legacy income also increased during the year. This may be the result of increased promotion of legacy giving in recent years, however we tend to budget conservatively for this type of income and, by its nature, it is difficult to predict. We also benefited from additional endowment income from a very generous long-standing supporter.

The additional investment made in supporter recruitment during the previous financial year has increased our income this year and we will continue to benefit in future years. However the level of investment made in 2011 was funded from surplus reserves and was never intended to be sustainable. Our investment in recruitment in 2012 returned to normal levels. We will continue to focus on a mixture of fundraising initiatives including supporter retention, legacy promotion and cost effective recruitment programmes over the coming years.

The bulk of our expenditure continues to support global research into human rights violations and we increased our expenditure in this area during the year. We were also pleased to provide increased grant funding for human rights work undertaken from the UK offices of Amnesty.

The outturn for the year was a small deficit which was funded from our reserves.

We are aware that much of our increased income in 2012 was due to items that cannot be expected to recur every year. Therefore we will continue to budget both income and expenditure conservatively in the coming years, being mindful of the prolonged period of economic uncertainty.

FINANCIAL INDEPENDENCE

Amnesty International is independent of any government, political ideology, economic interest or religion. We do not support or oppose any government or political system, nor do we necessarily support the views of the victims whose rights we seek 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 our promotion of human rights and research into human rights abuses.

CORPORATE RELATIONS

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

Statement on risk and reserves

1. OVERVIEW

The Trustees are aware of the need to assess the risks faced by the organisation and respond in such a way as to manage those risks appropriately. In particular, the Trustees have 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.

2. MAJOR RISKS AND UNCERTAINTIES

The Trustees consider the following to be the major risks and uncertainties facing the charity:

i) Regulatory compliance

The ability of the 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) Political attack

It is possible that the Amnesty International movement could become subject to a political attack which then impacted on the Trust. This could include an attack driven by a particular political motive or media agenda. The Trustees consider that an attack on any part of the global Amnesty movement could have major implications for the ability of the Trust 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.

As a grant making organisation we rely on strategies that are undertaken by the Amnesty movement worldwide. These would include to:

- 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.

iii) Supporter retention

Regular donations, and related gift aid, from individual supporters currently makes up 75 per cent of the Trust's total voluntary income. The Trustees 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 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 Trustees
- input into Trustee 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 Trustees take a risk based approach to reserves, therefore our policy is to hold a minimum level of unrestricted free reserves sufficient to meet the quantification of the risks on the risk register.

As at 31 December 2012 the unrestricted free reserves (net current assets less the total of restricted funds, cash endowment funds and deferred grant payments) stood at £1.3 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 £1.5 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 deficit of free reserves at 31 December 2012 stood at £0.2 million.

Treasury policy

The Trustees' 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 Trustees are aware that the investment vehicle may present a compromise (or a perception of one by its supporters) to the charity's commitment to human rights.

Structure, governance and management**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.

Amnesty International (UK Section) Charitable Trust is part of the worldwide Amnesty International movement.

The name and logo are registered in the name of Amnesty International Limited and the Trust has a licence to use the name and logo in the United Kingdom.

There are two main Amnesty legal entities in the United Kingdom:

- **Amnesty International United Kingdom 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.
- **Amnesty International (UK Section) Charitable 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 AND MANAGEMENT

Amnesty International (UK Section) Charitable Trust is a registered charity and a Company Limited by Guarantee and is managed by its Trustees (who are the Directors and Members). The Trustees are appointed by the Board of the UK Section; normally some of the Trustees are serving members of their Board. 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.

The Trustees are generally very familiar with human rights and the work of Amnesty International. Induction training is provided for new Trustees, and the Trustees 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 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. Day to day operations are carried out by staff of the UK Section and an appropriate portion of their salary costs is borne by the Charity. All the Trustees and members of the Finance Sub-Committee give their time voluntarily and receive no benefits.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity, and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Auditors

All of the current Trustees have taken all of the steps that they ought to have taken to make themselves aware of any information needed by the charity's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Trustees are not aware of any relevant audit information of which the auditors are unaware.

Thank You

The donors to the charity are warmly thanked for their continuing commitment to the aims of the charity and, without question, for their exceptional generosity.

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



Tony Farnfield
Company Secretary

28 March 2013

REPORT OF THE INDEPENDENT AUDITORS OF AMNESTY INTERNATIONAL (UK SECTION) CHARITABLE TRUST

To the members of Amnesty
International (UK Section) Charitable
Trust

We have audited the financial statements of Amnesty International (UK Section) Charitable Trust for the year ended 31 December 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's trustees and members 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 charity and the charity's trustees and members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement (set out on page 10), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Andrew Stickland

For and on behalf of BDO LLP, statutory auditor
Gatwick
United Kingdom

4 April 2013

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2012

		Unrestricted Funds	Restricted Funds	Endowment Fund	Total	Total
	Note	Dec-12 £000s	Dec-12 £000s	Dec-12 £000s	Dec-12 £000s	Dec-11 £000s
Incoming resources from generated funds						
Voluntary income						
Donations from individual supporters	3	7,352	101	231	7,684	6,679
Legacies	3	2,913	-	-	2,913	2,635
Gift Aid	3	1,396	-	-	1,396	1,366
Grants	4	-	190	-	190	189
Total voluntary income		11,661	291	231	12,183	10,869
Activities for generating funds	5	1,533	-	-	1,533	1,698
Investment and other income	6	220	-	-	220	207
Total incoming resources		13,414	291	231	13,936	12,774
Expenditure on charitable purposes						
Cost of generating voluntary income	3	2,082	25	-	2,107	2,908
Activities for generating funds	5	739	-	-	739	660
Total cost of generating funds		2,821	25	-	2,846	3,568
Expenditure in pursuit of objectives						
Promotion of human rights	7	2,258	302	-	2,560	1,401
Research: human rights violations	7	7,637	180	-	7,817	6,684
Investment in activist recruitment	7	727	-	-	727	1,271
Total expenditure on charitable purposes		10,622	482	-	11,104	9,356
Governance costs	9	23	-	-	23	29
Total resources expended		13,466	507	-	13,973	12,953
Net (outgoing)/incoming resources before revaluations		(52)	(216)	231	(37)	(179)
Unrealised gains on revaluation of investment	14	-	-	2	2	4
Net movement on funds		(52)	(216)	233	(35)	(175)
Total funds brought forward		3,962	331	224	4,517	4,692
Total funds carried forward		3,910	115	457	4,482	4,517

All amounts relate to continuing activities. The notes on pages 15 to 24 form part of these financial statements.

BALANCE SHEET

at 31 December 2012

	Note	Dec-12 £000s	Dec-12 £000s	Dec-11 £000s	Dec-11 £000s
Fixed assets					
Tangible fixed assets	13	4,842		4,874	
Investments	14	264		31	
			5,106		4,905
Current assets					
Debtors	15	2,101		1,251	
Cash at bank and in hand		534		1,018	
		2,635		2,269	
Creditors: amounts falling due within one year	16	(361)		(299)	
Net current assets			2,274		1,970
Creditors: amounts falling due after more than one year	17		(2,898)		(2,358)
Total net assets			4,482		4,517
Funds					
Unrestricted					
Undesignated	18		1,261		1,446
Designated	18		2,649		2,516
Restricted	18		115		331
Endowment	18		457		224
			4,482		4,517

Approved by the Board on 28 March 2013 and signed on its behalf by



Brian Landers, Trustee

The notes on pages 15 to 24 form part of these financial statements.

CASH FLOW STATEMENT

for the year ended 31 December 2012

	Note	Dec-12 £000s	Dec-12 £000s	Dec-11 £000s	Dec-11 £000s
Net cash outflow from operating activities	19		(696)		(1)
Returns on investment and servicing of finance					
Interest received	6	20		7	
Interest paid	10	(117)		(138)	
Net cash outflow from return on investments and servicing of finance			(97)		(131)
Capital expenditure and financial investment					
Gift of fixed asset investments	14		(231)		-
Maturing fixed asset investments	14		-		193
Financing					
Increase/(decrease) in long-term debt			540		(1,031)
Decrease in cash	19		(484)		(970)

The notes on pages 15 to 24 form part of these financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

1. ACCOUNTING POLICIES

Basis of accounting

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

Income and expenditure

- income from appeals and charitable donations 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
- grant income is recognised when the conditions for receipt have been complied with
- expenditure is charged to the Statement of Financial Activities on an accruals basis
- 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
- irrecoverable VAT is charged to the relevant expenditure account when it is incurred.

Fixed assets – freehold land and buildings

Freehold buildings are included at cost and are depreciated over 50 years on a straight-line basis from the point at which they are brought into use. Freehold land is included at cost and is not depreciated.

Pensions

Staff working for the charity are eligible to join a defined contribution pension scheme operated by the UK Section. Contributions are accounted for in the year to which they relate.

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.

Indemnity insurance

Amnesty International (UK Section) Charitable Trust has arranged Directors and Officers Liability Insurance at an annual premium of £2k (2011 – £2k).

Funds

Funds are distinguished between restricted, endowment and unrestricted funds. Income, expenditure, assets and liabilities for each classification of funds are accounted for separately.

2. TAXATION

The Trust is a registered Charity and as such is entitled to the exemptions under the Income and Corporation Taxes Act 1988.

3. GENERATION OF VOLUNTARY INCOME

	Unrestricted Dec-12 £000s	Restricted Dec-12 £000s	Endowment Dec-12 £000s	Total Dec-12 £000s	Total Dec-11 £000s
Voluntary Income					
Individual supporters (see note 4)	7,352	101	231	7,684	6,679
Legacies	2,913	-	-	2,913	2,635
Gift Aid	1,396	-	-	1,396	1,366
Grants received (see note 4)	-	190	-	189	189
	11,661	291	231	12,183	10,869
Costs of generating voluntary income					
Investment in supporter recruitment	1,090	-	-	1,090	1,907
Supporter care	229	-	-	229	207
General fundraising	576	25	-	601	603
Gift Aid	13	-	-	13	27
Legacies	174	-	-	174	164
	2,082	25	-	2,107	2,908
Net voluntary income generated	9,579	266	231	10,076	7,961

At 31 December 2012, in addition to legacy income that has been included in the accounts, the Trust expects to benefit from a number of legacies from estates for which the administration has yet to be finalised.

Included in the cost of generating voluntary income is £245k of apportioned support costs. See note 8 (2011: £426k)

The Trust's financial health is due in no small part to a large number of committed supporters who make regular monthly donations. The Trust continues to use agencies to recruit new supporters committed to a monthly giving plan. This strategy of investing in future income streams carries significant initial costs included in the analysis above. The returns on investment are enjoyed for the entire length of the supporter's relationship with the Trust.

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 its campaigning effectiveness. In addition, campaigning influence is strengthened significantly by the resulting increase in supporter numbers - the more we speak for, the more we are heard. Much of the extra impact on campaigning effectiveness and activism manifests in a related entity, Amnesty International United Kingdom Section. It is difficult to quantify the relative benefits accruing to income growth and to campaigning effectiveness from this expenditure; the Trustees 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.

4. GRANTS RECEIVED

The following restricted funds were received during the year:

		£000s
Donations:		
From individuals in support of:	Security & Human Rights	40
	Pocket Protest (ASSK)	25
	India	21
	Middle East and North Africa (MENA)	10
	Refugees	3
	Arms Trade Treaty	2
		<u>101</u>
Grants:		
Diana Memorial Fund	Refugees / Still Human Still Here	91
The Sackler Trust	MENA	50
Indigo Trust	Forced Evictions	16
The Alistair Berkley Charitable Fund	Digital Mapping	13
The Evan Cornish Foundation	Israel / Occupied Palestinian Territories (OPT)	8
Hilda and Alice Clark Charitable Settlement	IAR (W4R)	4
Teatre Biuro Podrozy	Israel / OPT	4
N Smith Charitable Settlement	Maternal Mortality	1
Morel Charitable Trust	Arms Trade Treaty	1
Edith M Ellis 1985 Charitable Trust	Arms Trade Treaty	1
Millenium Oak Trust	Arms Trade Treaty	1
		<u>190</u>
Total restricted funds		<u>291</u>

The Trustees would like to express their gratitude to these funders for their generous grants to help fund the work of the charity.

5. ACTIVITIES FOR GENERATING FUNDS

	Income	Expenditure	Net funds generated	Income	Expenditure	Net funds generated
	Dec-12	Dec-12	Dec-12	Dec-11	Dec-11	Dec-11
	£000s	£000s	£000s	£000s	£000s	£000s
Corporate relationships	262	-	262	297	1	296
Community fundraising	363	185	178	340	234	106
Appeals	564	246	318	750	300	450
Weekly Lottery	10	180	(170)	-	-	-
Raffles	334	128	206	311	125	186
	<u>1,533</u>	<u>739</u>	<u>794</u>	<u>1,698</u>	<u>660</u>	<u>1,038</u>

We incurred setup costs of £180k in relation to a new lottery fundraising initiative and began the weekly draws in December. During the year we sent out five supporter appeals; there were six in 2011.

Included in the costs of activities for generating funds is £46k of apportioned support costs. See note 8 - (2011: £108k)

All income from activities for generating funds was unrestricted.

6. INVESTMENT AND OTHER INCOME

	Dec-12 £000s	Dec-11 £000s
Interest receivable on bank deposits	9	7
Rental income	200	200
Interest receivable on fixed asset investments	11	-
Total investment and other income	220	207

The rental income arises under a lease granted to a related entity, Amnesty International United Kingdom Section, to occupy the Human Rights Action Centre.

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	Dec-12 £000s	Dec-11 £000s
Unrestricted grants to Amnesty UK Section		
Human rights education	257	
Individuals at risk	235	
Media	202	
Policy	178	
Youth activism	126	
Nations and regions	137	
AGM	110	
Dignity	96	
Amnesty in the community	42	
Country campaigning	20	
Women's human rights	9	
Refugees & Asylum	8	
Total unrestricted grants to Amnesty UK Section	1,420	-
Restricted grants to Amnesty UK Section		
Arms Trade Treaty		
David & Elaine Potter Trust	50	
Serve All Trust	10	
Oakdale Charitable Trust	1	
Cornwell Charitable Trust	1	
Morel Charitable Trust	1	
Edith M Ellis 1985 Charitable Trust	1	
Anonymous	2	
Burma		
Various donations from individuals	6	
Dignity		
The Indigo Trust	16	
The Alistair Berkley Charitable Fund	13	
N Smith Charitable Settlement	1	
Individuals at Risk		
Hilda and Alice Clark Charitable Settlement	4	
Israel/Palestine		
Teatre Biuro Podrozy	4	
MENA		
Anonymous	10	
The Evan Cornish Foundation	8	
Refugees (Still Human Still Here)		
Diana Princess of Wales Memorial Fund	173	
Leach Forteenth Chraitable Trust	1	
Total restricted grants to Amnesty UK Section	302	398
Production and distribution of human rights publications	640	637
Support costs apportioned (see note 8)	198	366
Total expenditure on promotion of human rights c/f	2,560	1,401

7. EXPENDITURE ON CHARITABLE ACTIVITIES – CONTINUED

	Dec-12 £000s	Dec-11 £000s
Total expenditure on promotion of human rights c/f	2,560	1,401
Research into and relief of human rights violations		
Grant to Amnesty International Charity Limited	7,805	6,674
Relief to victims of human rights violations	12	10
Total research into and relief of human rights violations	7,817	6,684
Investment in activist recruitment		
Investment in activist recruitment	679	1,191
Support costs apportioned (see note 8)	48	80
Total investment in activist recruitment	727	1,271
Total expenditure on charitable activities	11,104	9,356

8. SUPPORT COSTS

Staff costs cover employees in finance, information technology, human resources and facilities management.

Apportionment of support costs

	Dec-12 £000s	Dec-11 £000s
Staff costs	307	284
Irrecoverable Value Added Tax	-	476
Interest payable (see note 10)	117	138
Depreciation	32	32
Other support costs	83	57
Total support costs	539	987

From 1 January 2012 the cost of irrecoverable VAT has been charged directly to the relevant expenditure account.

These support costs are apportioned across the organisation's activities based on staff time spent.

	Dec-12 £000s	Dec-11 £000s
Cost of generating voluntary income	245	426
Activities for generating funds	46	108
Human rights campaigning	198	366
Investment in activist recruitment	48	80
Governance	2	7
Total support costs apportioned	539	987

9. GOVERNANCE COSTS

	Dec-12 £000s	Dec-11 £000s
Audit fee	15	17
Other direct governance costs	8	12
Total governance costs	23	29

Included in governance costs is £2k of apportioned support costs. See note 8 - (2011: £7k)

10. INTEREST PAYABLE

	Dec-12 £000s	Dec-11 £000s
Interest payable on mortgage loan	117	138

The mortgage loan is secured on the Human Rights Action Centre. Further details of the mortgage loan appear in note 17.

11. STAFF COSTS

There were 134 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 36 full-time posts.

	Dec-12 £000s	Dec-11 £000s
Wages and salaries	1,357	1,235
Social security costs	144	134
Pension costs	76	70
Total	1,577	1,439

	Full-time staff numbers	Cost £000s
Generating voluntary income	16	682
Activities for generating funds	3	105
Promotion of human rights	11	478
Support	6	312
Total	36	1,577

Salary band £000s

	Dec-12 numbers	Dec-11 numbers
0 - 10	87	80
10 - 20	27	24
20 - 30	14	12
30 - 40	5	6
40 - 50	1	1
	134	123

12. DIRECTORS' REMUNERATION

The charity is a company limited by guarantee, so the Directors are also Trustees. No Trustee received emoluments during the year (2011: £nil). Out of pocket travel expenses were reimbursed to no Trustees (2011: no Trustees).

13. TANGIBLE FIXED ASSETS

	Land and buildings £000s
Cost at 1 January 2012 and 31 December 2012	5,094
Depreciation at 1 January 2012	220
Charge of the year	32
Depreciation at 31 December 2012	252
Net book value at 31 December 2012	4,842
Net book value at 31 December 2011	4,874

The land and building asset is the freehold of the Human Rights Action Centre in New Inn Yard, London.

Amnesty International (UK Section) Charitable Trust has granted a 35-year lease to Amnesty International United Kingdom Section, a condition of which is that the tenant had to carry out the programme of refurbishments to the building. The capital costs of these refurbishments are shown in the accounts of that company. Amnesty International United Kingdom Section has granted a licence allowing Amnesty International (UK Section) Charitable Trust to use the building for its own activities. 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 £3.5 million.

14. LISTED INVESTMENTS

The listed investments represent unmatured US Federal Government Bonds gifted by David T K Wong under a declaration of Trust dated September 1999. In February 2012 Mr Wong made a further gift of US \$250k United States Federal Government 7.625% Coupon Bonds maturing January 2023. (see note 18)

	Dec-12 £000s	Dec-11 £000s
Opening market value at 1 January	31	220
Donated during the year	231	-
Matured during the year	-	(193)
Unrealised gain for the year	2	4
Closing market value at 31 December	264	31
Historical cost at 31 December	248	17

15. DEBTORS

	Dec-12 £000s	Dec-11 £000s
Tax recoverable on Gift Aid	660	371
Accrued legacy income	668	739
Other accrued income	740	139
Other debtors and prepayments	33	2
	2,101	1,251

16. CREDITORS**Amounts falling due within one year**

	Dec-12 £000s	Dec-11 £000s
Trade creditors	124	2
Mortgage loan	135	128
Amounts due to related entities	50	110
Accrued charges and deferred income	52	59
	361	299

17. CREDITORS

Amounts falling due after more than one year

	Dec-12 £000s	Dec-11 £000s
Mortgage loan	2,193	2,358
Deferred payment of grant to Amnesty International Limited	705	-
	<u>2,898</u>	<u>2,358</u>

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 12th 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 13).

18. FUNDS

	Undesignated fund £000s	Designated fund £000s	Restricted fund £000s	Endowment fund £000s	Total £000s
At 1 January 2012	1,446	2,516	331	224	4,517
Total incoming resources	13,414	-	291	231	13,936
Total resources expended	(13,466)	-	(507)	-	(13,973)
Movement between reserves	(133)	133	-	-	-
Unrealised investment gains	-	-	-	2	2
At 31 December 2012	<u>1,261</u>	<u>2,649</u>	<u>115</u>	<u>457</u>	<u>4,482</u>
Represented by					
Land and buildings	-	4,842	-	-	4,842
Investments	-	-	-	264	264
Net current assets	1,966	-	115	193	2,274
Long term liabilities	(705)	(2,193)	-	-	(2,898)
	<u>1,261</u>	<u>2,649</u>	<u>115</u>	<u>457</u>	<u>4,482</u>

Undesignated fund

The undesignated fund represents the funds that the Trustees are free to use in accordance with the charitable objects.

Designated fund

The designated fund comprises funds invested in fixed assets less the outstanding mortgage thereon (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 charity.

Restricted fund

The restricted fund represents grants received for restricted purposes (analysed below). Further details can be found in notes 4 and 7.

	£000s
Middle East and North Africa	50
Security and Human Rights	40
India	21
Refugees	3
Arms Trade Treaty	1
	<u>115</u>

Endowment fund

By a declaration of Trust dated September 1999, the Trust was made the beneficiary of a gift from David T K Wong of:

- US\$300k US Federal Government Zero Coupon Bonds which matured in November 2011, and
- US\$50k US Federal Government Zero Coupon Bonds which mature in November 2015

In February 2012 Mr Wong made a further gift of US \$250k United States Federal Government 7.625% Coupon Bonds maturing in January 2023.

At the maturity dates of the bonds, the Trustees are obliged to maintain the capital in perpetuity and apply the income of the fund in furtherance of the Trust's charitable objectives.

The endowment fund represents cash and bonds (stated at market value - see note 14). The bonds must be held until their maturity dates.

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

19. NOTES TO CASH FLOW STATEMENT**Reconciliation of net outgoing resources to net cash outflow from operating activities**

	Dec-12 £000s	Dec-11 £000s
Net outgoing resources before revaluations	(37)	(179)
Depreciation charged	32	32
Interest received	(20)	(7)
Interest paid	117	138
(Increase)/decrease in debtors	(850)	280
Increase/(decrease) in creditors	62	(265)
Net cash outflow from operating activities	(696)	(1)

Reconciliation of net cash outflow to movement in net debt

	Dec-12 £000s	Dec-11 £000s
Decrease in cash	(484)	(970)
Cash outflow from changes in net debt	(540)	1,031
Movement in net cash	(1,024)	61
Opening net debt	(1,340)	(1,401)
Closing net debt	(2,364)	(1,340)

Analysis of net debt

	At 1 Jan 2012 £000s	Cash flows £000s	At 31 Dec 2012 £000s
Cash at bank and in hand	1,018	(484)	534
Debt due after one year	(2,358)	(540)	(2,898)
Total	(1,340)	(1,024)	(2,364)

20. RELATED ENTITY BALANCES AND TRANSACTIONS

The related entities of the charity are Amnesty International United Kingdom Section (“UK Section”) and its wholly owned subsidiary, Amnesty Freestyle Limited. One way in which the Trustees achieve their objectives is to grant aid charitable human rights work carried out by the UK Section.

Related entity balances

At 31 December Amnesty International (UK Section) Charitable Trust had the following balances with related entities:

	Dec-12 £000s	Dec-11 £000s
Due to Amnesty International United Kingdom Section	<u>50</u>	<u>110</u>

Related Entity transactions

During the year the following transactions took place with related entities reflecting monies flowing in/ (out) of the charity.

	Dec-12 £000s	Dec-11 £000s
Restricted grants made to the UK Section for furtherance of charitable objectives	(302)	(398)
Donations received under Gift Aid from the UK Section	-	50
Unrestricted grant to the UK Section to support specific human rights work	(1,420)	-
Charges made by the UK Section for staff costs	(1,577)	(1,439)
Charges made to the UK Section under the terms of a lease for the occupancy of the Human Rights Action Centre	245	245
Charges made by the UK Section under the terms of a licence to use the Human Rights Action Centre	(45)	(45)
Payments made to the UK Section for Amnesty magazine	(123)	(128)

