



Amnesty International
United Kingdom Section

**COMBINED
FINANCIAL
STATEMENTS
2009-10**

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Section and the Amnesty International UK Section Charitable Trust
Year end: 31 March 2010**

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COMBINED FINANCIAL STATEMENTS 2009-2010

AIUK Section – a company limited by guarantee

Company reg. number 1735872
Date of incorporation 30 June 1983

Board members

Tom Hedley (chair)
Ciarnan Helferty (vice chair)
Glyn Isherwood (treasurer)
Duncan Booth
Caroline Fisher (aka Pepper Harow)
Emma France (re-elected 5 May 2009)
Katie Boothby (elected 5 May 2009)
Rona Keen (elected 5 May 2009)
Réshad Suffee (elected 5 May 2009)
Sharmila Kar (re-elected 7 May 2010)
Peter James Murray (re-elected 7 May 2010)
Sarah O'Grady (elected 7 May 2010)
Collette Anne Crill (elected 7 May 2010)
Anastasia Chew (retired 5 May 2009)
Gillian Cleverley (retired 5 May 2009)
Barbara Lodge (retired 5 May 2009)
Colum McAndrew (retired 5 May 2009)
David Callow (retired 7 May 2010)
Alex Siddall (retired 7 May 2010)
Christine Usher (retired 7 May 2010)

AIUK 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

Tom Blumenau (deceased 6 September 2009)
David Norgrove (chair)
Stuart Hathaway (re-elected 14 May 2010)
Grainne Walsh
Glyn Isherwood
Tom Hedley
Caroline Fisher (aka Pepper Harow)
Angela Crack (appointed 14 May 2010)
Chris Usher (retired 11 April 2010)
Mike Parkinson (retired 5 May 2009)

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
Glyn Isherwood
Kerry Moscoguirri
Christine Usher
Martin Tyler (appointed 13 March 2010)
Melvin Coleman (resigned 13 March 2010)

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 Stoy Hayward 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

Objectives and activities

1. KEY OBJECTIVES AND STATEMENT OF BENEFITS

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

The vision and mission of the UK section, 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.

Although the AIUK Section is not recognised in UK law as a charity, 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 Board 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 164 full-time salaried staff (see note 10) based in offices in London, Belfast, Cardiff and Edinburgh. This is a relatively small part of the AIUK movement, 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.

In relation to those who volunteered in the last year at the Human Rights Action Centre in London:

- there was an average of 48 different volunteers each week
- they contributed a total of 693 hours each week
- this is the equivalent of 20 full-time staff.

In relation to our activist supporters the key statistics are as follows:

Groups and individuals

	2009/10 numbers	2008/9 numbers
Urgent Action/Junior Urgent Action	15,000	15,067
Women's action	9,320	7,681
Children's human rights	7,540	7,551
TeachRights	3,961	3,365
Lesbian, gay, bisexual & transgender	2,641	2,643
Youth groups	650	637
Local groups	270	282
Trade Union affiliates	220	250
Speakers (schools)	181	172
Student groups	120	103
Trainers	61	73

The Board 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 the International Secretariat. Amnesty International UK 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 15,000-strong 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.

Notable successes for our Urgent Action work this year included the release of six Gambian journalists by presidential pardon in September 2009 – less than a month after they were sentenced to two years' imprisonment. In São Paulo, Brazil, 800 families violently evicted in August from the Olga Benário settlement won a major victory in December. The state authorities agreed to repossess the land from which the families had been evicted and to construct social housing for them. Local non-governmental organisations said the success was partly due to international pressure generated by Amnesty's Urgent Actions. Altogether, we know of positive outcomes in 49 UA

cases, including releases, stays of execution, prison transfers and stopped evictions. 28 UAs, unfortunately, failed to prevent executions or evictions.

DIGNITY

Demand Dignity, Amnesty's campaign to end the human rights abuses that drive and deepen poverty is now our priority global campaign. Preparations began in 2008, with our film *Poverty of Justice*, featuring three communities – from Peru, Kenya, and Canada - whose experiences epitomise three key themes of the campaign: forced evictions, maternal mortality and corporate accountability.

During the year, the Deep Sea community in Nairobi, Kenya, featured in our Greetings Card Campaign and reported that the threats of forced evictions stopped once the solidarity cards started to arrive. We are developing campaign plans with the Lubicon Cree, a First Nation people whose land rights, health and livelihoods are threatened by the oil, gas and logging industries in western Canada.

We asked the leaders of the three main UK political parties to support a Manifesto for Motherhood drawn up by a coalition of organisations in the UK. The manifesto urges an increase in support for maternal, newborn and child health and survival, particularly in developing countries, and for the sexual and reproductive rights of women and girls to be prioritised.

In June, Amnesty International launched a campaign in support of communities in Nigeria whose lives and livelihoods have been ruined by the petroleum industry. Amnesty researchers have been documenting Shell's activities in the Niger Delta for the past 15 years, its impact on local people, and the company's failure to clean up. Our campaign has clearly hit a nerve. The company felt obliged to respond to our report and actions, and agreed to an online dialogue with activists in the Niger Delta as well as in the UK in which a company representative conceded that Shell's operations had contributed to poverty and armed conflict in the Niger Delta.

The launch of our report *Don't Mine us out of Existence*, about Vedanta Resources refining and mining operations in Orissa, India, generated extensive media interest as a result of a protest outside Vedanta's head office in London.

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. Throughout the past year we have continued a dialogue with officials from the UK Border Agency, stressing the need to improve decision making so that those who need international protection are not left destitute at the end of the asylum process. Delegations led by the Archbishop of York met the Home Secretary in May 2009 and January 2010 to discuss progress. We believe that many destitute and refused asylum seekers have benefited from these discussions.

CONTROL ARMS

The campaign, launched by Amnesty International, Oxfam,

and the International Action Network on Small Arms in 2003, calls for a legally binding international treaty to control all transfers of arms. Amnesty International also campaigns to tighten controls on UK arms exports. At the end of 2009, the UN General Assembly agreed that an international Arms Trade Treaty would definitely come into being. This is a significant victory for the Control Arms campaign. For the first time, the USA, the world's biggest arms exporter, expressed support for the Treaty. However, the trade-off for US backing was that the other negotiators accepted that decision-making would be by consensus. This means that the USA and other powerful arms exporters such as Russia and China will have disproportionate power to weaken the treaty – and that could do more harm than good. The treaty is to be finalised at a drafting conference in 2012. Over the next two years, Amnesty International and its partners in the Control Arms campaign will be campaigning for a strong treaty.

UK legislation to ratify the Cluster Munitions Convention received Royal Assent in March 2010. Huge numbers of Amnesty supporters joined the call for the legislation to prohibit investment in production of cluster munitions. The joint action by Amnesty and other members of the Coalition influenced the UK government to ban direct investment in cluster bombs.

Another challenge is to bring about tighter limits and better training for police in the use of taser stun-guns. For the time being, it seems the momentum is against us, as police around the country take to the new weapons. Nevertheless our campaign continues and our media work has kept the issue in the public eye.

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.

For the past three years, we have focused on supporting LGBT activists in Eastern Europe, where attempts to hold Pride marches are often blocked by the state or by homophobic sections of the public. In May 2009 LGBT organisations in Estonia, Lithuania and Latvia held a regional Baltic Pride march in Riga, Latvia, and Amnesty members from the UK and other countries travelled there to take part. Local councillors had initially tried to stop the march, but a court overturned the ban. Despite a noisy counter-demonstration, Baltic Pride passed off peacefully. We maintain a dialogue with the UK Foreign Office on LGBT rights. One of the results is that UK embassies in many European countries now fly the rainbow flag on the day of local Pride celebrations, in a show of solidarity. This is especially encouraging in countries where Pride marches are met with hostility.

STOP VIOLENCE AGAINST WOMEN

The Stop Violence Against Women campaign focuses on ending violence against women in the home, and during and after armed conflict. Six years ago, at the start of our campaign, we identified three things that we wanted the UK government to do:

- Ratify the European Convention Against Trafficking in Human Beings (ECAT). The UK government ratified ECAT in December 2008, so our focus has moved to implementation of the convention. Amnesty International participates in a steering group monitoring the government's efforts to put the convention into practice.
- Ensure access to a safe refuge for women facing violence who are denied 'recourse to public funds' by the immigration rules. In November 2009, after a lengthy dialogue and soon after a mass lobby of Parliament by hundreds of activists, the government announced a pilot scheme to fund refuge places for women with 'no recourse to public funds'.
- Adopt an integrated strategy across all government departments to tackle all forms of violence against women. In November 2009 the UK government announced the launch of an integrated strategy. It was welcome news for Amnesty International and our partners but we know the strategy will be effective only if the details are right, if it is implemented properly, and if adequate resources and training are allocated to it.

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:

- **Films** - Amnesty International was involved in the UK release of the award winning documentary *The Yes Men Fix the World*, in which two activists infiltrate the world of big business to expose corporate human rights abuse and environmental damage.
- **Theatre** - the Young Vic, in association with Amnesty, put on "The Container" tracing the journey of a group of asylum seekers travelling to England. It was staged in a 40ft shipping container with the 28 audience members locked inside. There were positive reviews from the press, including the Observer, What's on Stage, and the Financial Times.
- **Festivals** - during the year our local groups took our campaigns and messages to festivals across the country. The Big Chill included an Amnesty membership offer on student tickets. The Jersey local group, which embarked on its first human rights film festival in 2005, is now the main organising partner of the week-long Jersey Human Rights Festival.
- **The Human Rights Action Centre** - it has been another busy year at the HRAC, Amnesty's 'home for human rights' in the UK. Over 12,000 people attended 200 events in the building. Of these, 135 were hosted on behalf of other human rights and social justice organisations ranging in size from Greenpeace and UNICEF to Congo Now and the Greater London Domestic Violence Project.
- **Web and new media** - the ever-developing world of communications technology offers powerful tools to attract, mobilise and interact with existing and potential Amnesty supporters. It increases our capacity to reach new audiences and to receive direct feedback from them. The number of visitors to the www.amnesty.org.uk website continues to grow: more than 1 million people visited the site in 2009. We have drawn up plans to redevelop the site during 2010/11, with a focus on new facilities for activist groups and networks and better services for all our supporters. We are

also making more use of electronic communications with new supporters, sending them regular bulletins encouraging them to take action on specific cases or campaigns. This has resulted in a noticeable increase in participation in priority actions.

- **Traditional media** - it is always our aim to take Amnesty's message to as wide a range of audiences as possible and to as many people as we can. That's why we have made a point of targeting tabloid papers as well as the so-called 'quality' press. Some stories appeal to both, like the Urgent Action issued at the prospect of 200 people being flogged in the Maldives for extramarital sex. The story was covered by the *Sun*, as well as the *Telegraph* and *Independent*.
- **Individual activists:**
 - 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
 - 61 volunteer trainers who run workshops for local groups – this year focusing on the Demand Dignity campaign
 - Country coordinators 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.

AMNESTY IN THE COMMUNITY

- **Local Groups** - our 270 active local groups are the public face of Amnesty in their community, bringing our concerns and campaigns to the local media, councils and MPs, as well as to the public at large.
- **Student groups** - we have 120 student groups at UK universities (17 more than last year) and a growing number of individual student members – boosted this year by an Amnesty membership special offer for students attending the Big Chill festival.
- **Youth groups** - we have approximately 650 youth groups across the UK, most of them based in schools, as well as 1172 individual youth members.

Throughout the year there was high visibility as local, student and youth groups took up key campaigns and fundraising activities. For example many joined our mass lobby of Parliament in November to tell their MPs that the UK should extend protection from violence to all women in the country – including those denied 'recourse to public funds' by the immigration rules. Other groups made the Iranian women's Campaign for Equality their focus.

Local groups have also won attention for the Demand Dignity campaign, to end the human rights abuses that keep people poor. The Manchester group built a shantytown in the city centre, and talked to passers-by about the plight of people living with the threat of forced eviction.

Campaigning in November and December focused on the annual Greetings Card Campaign, but groups work to protect the rights of specific individuals throughout the year.

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. We have 181 schools speakers around the UK who visit their local schools to talk to students about human rights and the work of Amnesty International. Between them they spoke to more than 30,000 young people in 2009. This year, 43 of the schools and colleges they visited asked for information about setting up an Amnesty youth group after the speaker's visit. We held seven speaker training events around the country during the year, resulting in 80 new speakers. In 2009 we produced two major education materials for secondary schools: an education pack on Poverty and Human Rights, and a book – Making Human Rights Real – for use with Key Stage 4 (aged 14+) students in Northern Ireland.

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 co-ordinated 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 across AIUK.

RESEARCH INTO HUMAN RIGHTS VIOLATIONS

The Trustees continued to part-fund approximately 150 research projects being undertaken by Amnesty International. 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 world-wide by Amnesty International can be found on:
<http://www.amnesty.org/>

RECRUITING AND RETAINING AMNESTY SUPPORTERS

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

We need more supporters for two reasons: to develop human rights activists and to provide secure income streams into the future. Both of these help to increase our impact and effectiveness. This recruitment activity continues to generate future income as well as adding to the pool of those able to take action on human rights abuses. For this reason the Board has 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 2009/10 was to recruit 13,996 new supporters and to increase our current retention rate for committed giving members to 90 per cent. The number actually recruited was below target at 11,527. Our current retention rate is currently above previous forecasts at 91.5 per cent. The overall membership dropped to 156,555 (down 4,498 from the restated March 2009 figure of 161,053).

For the 9 month period to December 2010 we plan to recruit 6,961 supporters and maintain a retention rate for committed giving members of 90 per cent.

The target for the Trust for 2009/10 was to recruit 18,084 new supporters and to increase our current retention rate for committed giving supporters to 71 per cent. The number actually recruited was below target at 15,537. Our current retention rate is currently above previous forecasts at 78.9 per cent. The overall number of supporters increased to 47,661 (up 1,014 from the restated March 2009 figure of 46,647).

For the 9 month period to December 2010 we plan to recruit 22,379 supporters with a retention rate for committed supporters of 77 per cent.

Financial review

REVIEW OF THE YEAR

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.

Over the year our income decreased by £600,000 to £23.1 million. Our income from members and supporters decreased by £300,000; we are grateful to the generosity of supporters during these difficult times and to the excellent work of our fundraising team.

Legacy and grant income were higher, but along with many organisations in the charity sector, it was the additional giving areas and investment income that suffered most.

As we reported last year, we felt we were reaching a peak in income from supporters following increases in the previous two years, and this has proved to be the case. Although the number of supporters leaving us was within our expected ranges, it is much more difficult to recruit new supporters in the prevailing economic climate. We have continued to invest in recruitment where it is cost-effective to do so although expenditure was down compared to 2009.

While we invested less money in additional giving areas we were able to increase our expenditure on human rights campaigning and research into human rights violations. Our campaigners were as busy as ever and we continue to develop our work in support of the priority campaigns of the Amnesty worldwide movement. In particular we are carefully planning our work in support of many of the strands of the Dignity campaign and we will see this area grow in future years.

We proceed with financial caution during these uncertain times; we have been careful to balance our expenditure with our incoming resources and manage them prudently through a difficult year. We had budgeted for a small deficit however

our income held up much better than planned, and we have been very careful with our costs. Overall we made a small surplus of £50,000.

Protecting our long-term campaigning capacity is paramount and we take the view that the economic environment for fundraising will continue to be challenging. Given our excess reserves position we can draw on these over the next three years to maintain our campaigning activities and sustain our spend to generate future income.

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 Board of the UK Section 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 AIUK 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 Board.

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 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 Board considers 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 Board 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 86 per cent of the organisation's total voluntary income. The Boards are aware of the need to continually recruit new supporters to replace those who cease to make donations.

Strategies to manage the effects of this risk are:

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

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 March 2010 the free reserves (net current assets) stood at £8.4 million. Included in the above surplus of reserves is legacy income of £0.5 million which had not been received at the year end.

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 March 2010 stood at £4.7 million. (AIUK Section held surplus reserves of £2.3 million and the Trust held surplus reserves of £2.4m)

Given our excess reserves position we can draw on these over the next three years to maintain our campaigning activities and sustain our spend to generate future income.

Structure, governance and management

INTRODUCTION

The Boards have pleasure in presenting this report on the affairs of all the organisations within the Amnesty International UK 'family' together with the pro forma combined audited financial statements for the year ended 31 March 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 the campaigning activities of Amnesty International UK could not be charitable under English law, which has resulted in the complex structure of the UK Section. However, most supporters of Amnesty International in the UK reasonably but wrongly believe that AIUK itself 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 UK Section 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.

The UK Section of Amnesty International is part of the worldwide Amnesty International movement. The name and logo are registered in the name of Amnesty International Limited and the UK Section has a licence to use the name and logo in the United Kingdom.

The UK Section of Amnesty consists of two main legal entities:

Amnesty International UK Section (AIUK): 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. AIUK pursues the objective of the movement in the United Kingdom by campaigning for observance, and opposing violations, of human rights. In August 2006 AIUK acquired Amnesty Freestyle Limited, a trading company.

Amnesty International (UK Section) Charitable Trust: the 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 AIUK.

GOVERNANCE

Amnesty International UK Section (AIUK) 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. The Board appoints the Trustees of the Charitable Trust and the Directors of Amnesty Freestyle Limited, a trading company acquired by AIUK in August 2006. Individual voting membership of AIUK stood at 156,555. (160,857 at March 2009)

Amnesty International (UK Section) Charitable 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 Amnesty International United Kingdom Section (AIUK); some of the Trustees are normally serving members of the Board of AIUK. 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 four times each year.

Trustees are appointed by the Board of AIUK and 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 some Trustees, Board and ordinary members of AIUK, and which also acts as the Finance Sub-Committee of AIUK.

The Trustees' policy is to pursue some of its charitable objects by grant funding Amnesty International (United Kingdom) Section. Day to day operations are carried out by staff of AIUK and an appropriate portion of their salary costs is borne by the Charity.

The Charity pays an appropriate charge for the use of premises, computer systems and other physical assets owned by AIUK.

As the Trust raises money in Scotland, has the use of AIUK's Edinburgh office and part-funds some AIUK activities which take place in Scotland, the Trustees were pleased to register the Trust as a charity registered in Scotland with the Office of the Scottish Charity Regulator (OSCR).

All the Trustees and members of the Finance Sub-Committee give their time voluntarily and received no benefits.

Further details of the respective responsibilities of the Board and the Trustees can be found in the individual published accounts.

Merger between AIUK and the Trust

Over the past years our plans have been for AIUK Section to change its objects to mirror those of the AIUK Trust, to seek registration as a charity and then to seek a merger of the two organisations. From discussions between AIUK and the Charity Commission it is clear that there is the potential that a merger could place constraints around our campaigning abilities and in this light we are not currently prioritising any formal merger steps. Both Boards will continue to monitor this position and seek to ensure that the structure and balance of work between the two organisations is effective and maximises the impact of our work.

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 Board and Trustees express their heartfelt gratitude for their past support and looks 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

10th July 2010



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 year ended 31 March 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 17 and the accounting policies set out therein.

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 17 to 26.

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 the financial statements in accordance with International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements have been properly prepared in accordance with the basis of accounting and whether the information given in the Board's report is consistent with those financial statements.

We read the Boards' report and consider the implications for our report if we become of any apparent misstatements within it.

Our report has been prepared in accordance with the terms of our engagement letter and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of our engagement letter or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Organisation's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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 LLP

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

Date 10 July 2010

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

Combined statement of financial activities

for the year ended 31 March 2010

	Note	Unrestricted Funds £000s	Restricted Funds £000s	Endowment Fund £000s	Total 2010 £000s	Total 2009 £000s
Incoming resources from generated funds						
Voluntary income						
Subscriptions and donations from members and supporters	3	15,711	-	-	15,711	16,025
Legacies	3	2,571	-	-	2,571	2,251
Gift Aid	3	1,442	-	-	1,442	1,524
Grants	3	-	322	-	322	185
Total voluntary income		19,724	322	-	20,046	19,985
Activities for generating funds	4	2,780	-	-	2,780	3,257
Income from pursuit of objectives	5	210	-	-	210	173
Investment and other income	6	103	-	-	103	341
Total incoming resources		22,817	322	-	23,139	23,756
Expenditure						
Cost of generating voluntary income	3	4,717	-	-	4,717	4,956
Activities for generating funds	4	1,487	-	-	1,487	2,093
Total cost of generating funds		6,204	-	-	6,204	7,049
Expenditure in pursuit of objectives						
Human rights campaigning	7	7,669	263	-	7,932	8,254
Research: human rights violations	7	6,790	-	-	6,790	5,117
Investment in activist recruitment	7	1,789	-	-	1,789	1,936
Total expenditure in pursuit of objectives		16,248	263	-	16,511	15,307
Governance costs	8	373	-	-	373	324
Total resources expended		22,825	263	-	23,088	22,680
Net (deficit)/surplus for the year before revaluation		(8)	59	-	51	1,076
Unrealised (loss)/gain on revaluation of investment asset	15	-	-	(12)	(12)	74
Net movement on funds		(8)	59	(12)	39	1,150
Movement between funds	15/16	(20)	20	-	-	-
Total funds brought forward	15/16	15,652	90	236	15,978	14,828
Total funds carried forward	15/16	15,624	169	224	16,017	15,978

All amounts relate to continuing activities. There are no recognised gains or losses other than the surplus for the year. The notes on pages 17 to 26 form part of these financial statements.

Combined balance sheet

at 31 March 2010

	Note	2010 £000s	2010 £000s	2009 £000s	2009 £000s
Fixed assets					
Tangible fixed assets	12	11,091		11,527	
Investments	12	224		236	
			11,315		11,763
Current assets					
Debtors	13	1,363		1,953	
Cash at bank and in hand		8,255		7,686	
		9,618		9,639	
Creditors: amounts falling due within one year	14	(1,197)		(1,611)	
Net current assets			8,421		8,028
Creditors: amounts falling due after more than one year	14		(3,719)		(3,813)
Total assets less current liabilities			16,017		15,978
Reserves					
Restricted					
Endowment	15	224		236	
Grants	15	169		90	
			393		326
Unrestricted					
Undesignated	16	15,574		15,602	
Designated	16	50		50	
			15,624		15,652
Total reserves			16,017		15,978

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

10th July 2010



Glyn Isherwood, Treasurer

The notes on pages 17 to 26 form part of these financial statements.

Combined cash flow statement

for the year ended 31 March 2010

	Note	2010 £000s	2010 £000s	2009 £000s	2009 £000s
Net cash inflow from operating activities	17		957		1,567
Returns on investment and servicing of finance					
Interest received	6	80		334	
Interest paid	9	(234)		(239)	
Net cash (outflow)/inflow from return on investments and servicing of finance			(154)		95
Taxation					
Corporation tax paid	11		0		0
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets	12	(140)		(304)	
Proceeds from the disposal of fixed assets				9	
Net cash outflow from capital expenditure and financial investment			(140)		(295)
Financing					
Decrease in long term debt			(94)		(127)
Increase in cash			569		1,240

The notes on pages 17 to 26 form part of these financial statements

Notes forming part of the pro forma combined financial statements for the year ended 31 March 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 United Kingdom Section. These accounts only reflect cash received by AIUK 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 (United Kingdom Section) Charitable Trust and Amnesty Freestyle Limited have elected to prepare proforma combined financial statements of the Amnesty International UK Section 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 (United Kingdom 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 Amnesty International UK 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 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 UK 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 £1,832 (2009 – £1,832)

Funds

Funds are distinguished between restricted, designated and unrestricted funds. Income, expenditure, assets and liabilities for each classification of funds are accounted for separately. Further details are shown in the statement of financial activities for the year to 31 March 2010.

3. GENERATION OF VOLUNTARY INCOME

	Unrestricted 2010 £000s	Restricted 2010 £000s	Total 2010 £000s	Total 2009 £000s
Voluntary Income				
Subscriptions and donations from supporters and members	15,711	-	15,711	16,025
Legacies	2,571	-	2,571	2,251
Gift Aid	1,442	-	1,442	1,524
Grants received (see note 3.1)	-	322	322	185
	19,724	322	20,046	19,985
Costs of generating voluntary income				
Investment in supporter recruitment	2,684	-	2,684	2,904
Suppo-	729	-	729	823
General fundraising	1,194	-	1,194	1,114
Gift Aid	17	-	17	-
Legacies	93	-	93	115
	4,717	-	4,717	4,956
Net voluntary income generated	15,007	322	15,329	15,029

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 £882k of apportioned support costs.

See note 9 – (2009 £979k)

3.1 RESTRICTED GRANTS RECEIVED

The following restricted grants were received during the year: £000s

From other Amnesty Sections:	Arts for Amnesty	108
(not related entities)		
Other grants:		
City Bridge trust	Human rights education work in London	32
Anonymous grant	Greetings card campaign	1
Diana Princess of Wales memorial fund	Refugees (Still human still here)	44
City Parocial foundation	Refugees (Still human still here)	20
Balcombe trust	Individuals at risk	20
Tolkien trust	Stop violence against women	16
TUUT charitable fund	Trade union programme	3
G & H Roberts community trust	Human rights education work	1
Anonymous grants	Human rights education work	2
Anonymous grants	Lift off project	1
Evan Cornish foundation	Individuals at risk	5
A & N Ferguson trust	Lift off project	20
Celtic charity fund	Lift off project	5
Dep't of Education for Northern Ireland	Lift off project	10
Anonymous grants	Arts for Amnesty	25
Anonymous grants	Arts for Amnesty	9
		322

4. ACTIVITIES FOR GENERATING FUNDS

	Income	Expenditure	Net funds generated	Income	Expenditure	Net funds generated
	2010	2010	2010	2009	2009	2009
	£000s	£000s	£000s	£000s	£000s	£000s
Shops	410	422	(12)	446	491	(45)
Sales	146	119	27	176	88	88
Corporate Relationships	346	60	286	472	82	390
Royalties	86	25	61	92	24	68
Community fundraising	736	360	376	615	277	338
Events	51	134	(83)	445	675	(230)
Appeals	695	265	430	666	352	314
Raffles	310	102	208	345	104	241
	2,780	1,487	1,293	3,257	2,093	1,164

Included in the costs of activities for generating funds is £325k of apportioned support costs. See note 9 (2009 £400k) Many events are carried out primarily to raise public awareness of Amnesty International UK Section 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

	2010	2009
	£000s	£000s
Income from human rights publications and campaigning materials	210	173

6. INVESTMENT INCOME

	2010	2009
	£000s	£000s
Disposal of assets	-	7
Interest receivable on bank deposits	80	334
Other income	23	-
Total investment and other income	103	341

7. EXPENDITURE IN PURSUIT OF OBJECTIVES

	2010 Unrestricted £000s	2010 Restricted £000s	2010 Total £000s	2009 Total £000s
Human Rights Campaigning				
Stop Violence Against Women	145	16	161	205
Control arms	54	-	54	64
Terrorism, Security & Human Rights	5	52	57	143
Refugees & Asylum	115	62	177	134
Death Penalty	25	-	25	22
Lesbian, Gay, Bisexual, Transexual	34	-	34	34
Country Campaigning	65	-	65	113
Individuals at Risk	221	26	247	265
Campaigns support	585	-	585	692
Amnesty in the Community	187	6	193	214
Human Rights Education	366	37	403	346
Dignity	96	-	96	101
Corporate & Social Responsibility	125	-	125	136
Nations and Regions	328	6	334	336
Youth Activism	121	1	122	235
Arts for Amnesty	-	57	57	-
Grants to AIEU Section	231	-	231	216
Policy	306	-	306	338
Media	418	-	418	450
International movement support	52	-	52	-
Production and distribution of human rights publications and campaigning materials	1,383	-	1,383	1,279
Support costs apportioned (see note 9)	2,807	-	2,807	2,931
Total human rights campaigning	7,669	263	7,932	8,254
Research into and relief of human rights violations				
Grant to Amnesty International Charity Limited	6,790	-	6,790	5,098
Prisoners of conscience appeal fund	-	-	-	12
Relief grant	-	-	-	7
Total research: human rights violations	6,790	-	6,790	5,117
Investment in activist recruitment				
Investment in activist recruitment	1,597	-	1,597	1,761
Support costs apportioned (see note 9)	192	-	192	175
Total investment in activist recruitment	1,789	-	1,789	1,936
Total expenditure in pursuit of objectives	16,248	263	16,511	15,307

A full discussion of all AIUK's activities appears in the Directors' report on pages 5 to 12.

8. GOVERNANCE COSTS

	2010 £000s	2009 £000s
Members' annual general meeting and national conference	185	176
International council meeting (biennial meeting of global movement)	28	2
Other direct governance costs	160	146
Total governance cost	373	324

None of the Directors received remuneration during the year. Our governance costs often fluctuate due to the timing of our AGM and biennial council meetings; there was one major international council meeting in the current year but none the previous year. Included in governance costs is £32k of apportioned support costs. See note 9 – (2009 £3k)

9. SUPPORT COSTS

	2010 £000s	2009 £000s
Staff costs (including agency costs)	1,339	1,429
Staff and volunteer training and welfare	309	429
Premises costs	805	982
Irrecoverable VAT	353	389
Interest payable on mortgage loan	234	239
Depreciation	576	562
Other support costs	622	458
Total support costs	4,238	4,488

Apportionment of support costs

	2010 £000s	2009 £000s
Cost of generating voluntary income	882	979
Activities for generating funds	325	400
Human rights campaigning	2,807	2,931
Investment in activist recruitment	192	175
Governance	32	3
Total support costs apportioned	4,238	4,488

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

	2010 £000s	2009 £000s
Wages and salaries	5,944	5,660
Social security costs	627	603
Pension costs	343	330
Total	6,914	6,593

Amnesty International UK 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	32	1,256
Activities for generating funds	10	399
Human rights campaigning	90	3,847
Support	31	1,368
Governance	1	44
Total	164	6,914

There were 217 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 164 full-time posts.

Salary band £000s	2010 numbers	2009 numbers
0 - 10	31	39
10 - 20	35	46
20 - 30	53	49
30 - 40	55	50
40 - 50	32	28
50 - 60	8	7
60 - 70	2	2
80 - 90	1	1

11. TAXATION

Taxation on profit on ordinary activities	2010	2009
	£000s	£000s
Current tax	-	-
Deferred tax		
Movement in deferred tax provision	-	-
Taxation on profit on ordinary activities	-	-
Reconciliation	2010	2009
Profit on ordinary activities before tax	39	1150
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28%	11	322
Net non-taxable income	(121)	(450)
Depreciation on non qualifying expenditure	147	141
Capital allowances in excess of depreciation	7	7
Decrease in losses	(44)	(20)
Current tax charge for period	-	-
The year end unprovided deferred tax asset comprises	2010	2009
	£000s	£000s
Capital allowances	(53)	(45)
Losses	(583)	(628)
Provisions and accruals	(12)	(13)
	(648)	(686)

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 2009	9,824	1,691	1,619	672	58	13,864
Additions	-	-	61	72	7	140
Disposals	-	-	810	44	46	900
At 31 March 2010	9,824	1,691	870	700	19	13,104
Depreciation						
At 1 April 2009	613	351	1,024	295	54	2,337
Charge for the year	124	84	291	75	2	576
Disposals	-	-	810	44	46	900
At 31 March 2010	737	435	505	326	10	2,013
Net book value						
At 31 March 2010	9,087	1,256	365	374	9	11,091
At 31 March 2009	9,211	1,340	595	377	4	11,527

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.

Computer equipment/infrastructure and office equipment

During the year we continued our review of the assets on our fixed asset register. At the conclusion of this exercise we removed a number of assets, mainly computer equipment, which were considered to be obsolete. All these assets had been fully depreciated. We plan to invest around £50k to replace ageing desktop computer equipment in the next financial period.

Investments	2010 Total £000s	2009 Total £000s
Opening market value at 1 April	236	162
Unrealised (loss)/profit for the year	(12)	74
Closing market value at 31 March	224	236
Historical cost at 31 March	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

	2010	2009
	£000s	£000s
Tax recoverable on gift aid	251	566
Accrued legacy income	528	390
Trade debtors	53	56
Other debtors, prepayments and accrued income	416	761
Value Added Tax recoverable	115	180
	1,363	1,953

All amounts are due within 12 months.

14. CREDITORS

Amounts falling due within one year

	2010	2009
	£000s	£000s
Trade creditors	625	915
Accruals and deferred income	362	482
Payroll taxes and other creditors	210	214
	1,197	1,611

Amounts falling due after more than one year

	2010	2009
	£000s	£000s
Mortgage loan	3,719	3,813

The loan was for an initial term of 10 years, with repayments scheduled over 20 years, until 1st November 2025. The interest rate on the loan is currently fixed at 6.1875% until November 2010. We have recently refixed our rate at 4.875% from November 2010 to November 2015 in relation to £2.6 million of the outstanding debt. The Trustees will consider further options for the remainder of the debt in the coming months.

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	236
Unrealised loss for the year	(12)
Closing market value at 31 March	224

Represented by:

Fixed Assets	224
	224

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 2009	90
Income (see note 3.1)	322
Expenditure (see note 7)	(263)
Movement between funds (see note 16)	20
At 31 March 2010	169

Represented by:

Cash at bank	169
	169

16. UNRESTRICTED FUNDS**Unrestricted funds**

	Crisis Response £000s	Total Designated Funds £000s	Total Undesignated Funds £000s	Total Unrestricted Funds £000s
At 1 April 2009	50	50	15,602	15,652
Utilised during year	-	-	(8)	(8)
Movement between funds	-	-	(20)	(20)
At 31 March 2010	50	50	15,574	15,624
Represented by:				
Tangible fixed assets	-	-	11,091	11,091
Cash at bank	50	50	8,036	8,086
Net liabilities	-	-	(3,553)	(3,553)
	50	50	15,574	15,624

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 Amnesty International UK Section had designated £50,000 to fund whatever actions are considered appropriate to respond to future crises.

Movement between Funds

During the year we transferred £20,000 from unrestricted to restricted funds. This represents the UK Section's financial contribution towards a project that we are hosting on behalf of the wider Amnesty international movement.

17. NOTES TO CASH FLOW STATEMENT

Reconciliation of operating profit to net cash inflows from operating activities	2010	2009
	£000s	£000s
Surplus before taxation	51	1,076
Depreciation	576	562
Profit on disposal of fixed assets	-	(7)
Interest received	(80)	(334)
Interest paid	234	239
Decrease/(increase) in debtors	590	(517)
(Decrease)/increase in creditors	(414)	548
Net cash inflow from operating activities	957	1,567

Reconciliation of net cash flow to movement in net funds	2010	2009
	£000s	£000s
Increase in cash	569	1,240
Cash inflow from changes in net debt	94	127
Movement in net cash	663	1,367
Opening net funds	3,873	2,506
Closing net funds	4,536	3,873

Analysis of net funds	At	Cash	At
	1 April 2009	flows	31 March 2010
	£000s	£000s	£000s
Cash in hand and at bank	7,686	569	8,255
Debt due after one year	(3,813)	94	(3,719)
	3,873	663	4,536

18. COMMITMENTS UNDER OPERATING LEASES

Operating leases which expire	2010	2009
	£000s	£000s
Within one year	23	22
In two to five years	175	175
	198	197

Analysed between

Hire of plant and machinery	39	38
Other operating leases	159	158
	198	197

