



Amnesty International
United Kingdom

**COMBINED
FINANCIAL
STATEMENTS**

for the year ended 31 December 2012

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COMBINED FINANCIAL STATEMENTS

for the year ended 31 December 2012

Amnesty International United Kingdom Section - a company limited by guarantee

Company reg. number 1735872
Date of incorporation 30 June 1983

Board members

Ciaranan Helferty (Chair)
Tom Hedley (re-elected 11 May 2012 - Vice Chair)
Brian James Landers (Treasurer)
Hugh David Whitby (elected 11 May 2012)
Peter James Murray
Rona Bella Keen
Sharmila Kar
Sarah Jane O'Grady
Collette Anne Crill
Hannah Perry
Brian Paton Gilda
Gareth Harrison Littler
Cris Burson-Thomas
Katherine McSherry
Duncan Booth (retired 11 May 2012)
Emma France (retired 11 May 2012)

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

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

Board of trustees

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

Amnesty Freestyle Limited – a company limited with share capital

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

Board of directors

Kate Allen
Tom Hedley
Kerry Mosconiuri
Brian Landers
Tony Farnfield (appointed 30 January 2013)
Martin Tyler (resigned 30 January 2013)

Secretary and Registered office

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

Bankers

Co-operative Bank plc
9 Prescot 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

REPORT OF THE BOARDS

Structure, governance and management

INTRODUCTION

The Boards have pleasure in presenting this report on the affairs of all the organisations within the Amnesty International United Kingdom (AIUK) 'family' together with the pro forma combined audited financial statements for the year ended 31 December 2012. Details about the three entities involved and their legal status are shown on the inside cover. These combined financial statements do not represent the statutory financial statements of any of the individual organisations; separate financial statements are prepared for each.

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

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

AIUK consists of two main legal entities:

- Amnesty International United Kingdom Section ("UK Section") a membership organisation whose policy and priorities are set, within the context of decisions of the International Council of Amnesty International, by the members at the Annual General Meeting. The UK Section pursues the objectives of the movement in the

United Kingdom by campaigning for observance, and opposing violations, of human rights. In August 2006 the UK Section acquired Amnesty Freestyle Limited, a trading company.

- Amnesty International (UK Section) Charitable Trust ("UK Trust"): the UK Trust meets its charitable objectives by funding Amnesty International Limited to conduct its worldwide research into the observance and abuses of human rights. It also part-funds projects undertaken by the UK Section.

Governance

i) UK SECTION

The UK Section is a membership based Company Limited by Guarantee, managed by a Board of 15 individual members, 12 of whom are elected by the whole membership. The Board has the power to co-opt three places on the basis of a skills audit of the existing Board members to ensure the most appropriate Board qualities are obtained. It has permission from the Registrar of Companies to omit 'Limited' from its title. Its Board is elected by its members. Individual voting membership of the UK Section stood at 150,935 (146,143 at December 2011). The Board appoints the Trustees of the UK Trust and the Directors of Amnesty Freestyle Limited, a trading company acquired by the UK Section in August 2006.

ii) UK TRUST

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

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

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

Objectives and activities

1. KEY OBJECTIVES AND STATEMENT OF BENEFITS

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

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

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

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

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

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

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

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

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

2. KEY ACTIVITIES UNDERTAKEN BY STAFF, VOLUNTEERS AND ACTIVISTS

AIUK currently employs the equivalent of 181 full-time salaried staff (see note 10) based in offices in London, Belfast, and Edinburgh. This is a relatively small part of the Amnesty movement in the United Kingdom, as many activities are undertaken by unpaid volunteers.

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

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

3. ACTIVITIES AND ACHIEVEMENTS

The UK Section is committed to transparency and accountability in all its operations. A full description of how the organisation is governed, managed and funded, the nature of our work and the extent of our impact, is available in the Amnesty International UK Annual Report, which is published on our website every year. See www.amnesty.org.uk

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.

Corporate social responsibility

In 2012 our campaigning focused on six countries: Kenya, Nigeria, Serbia, Romania, UK and Italy. In Kenya, following a longstanding campaign in support of the huge 'Deep Sea' community in Nairobi, the prime minister announced a halt to all evictions until legal safeguards were in place. Alas, at least two large evictions have since taken place in the Kenyan capital, so AIUK has therefore renewed our call for a moratorium on all evictions. In July Amnesty condemned the authorities in Rivers State, Nigeria, after up to 200,000 people were forcibly evicted in the oil city of Port Harcourt. Amnesty instigated an Abonnema Wharf Rapid Response to ensure emergency relief and to halt any further evictions in the area. European sections of Amnesty successfully

engaged their embassies in Nigeria to intervene and request a meeting with the State governor. The British High Commission in Nigeria engaged with Amnesty in forced evictions for the first time having previously dismissed this as not an issue of international relevance. This is significant progress. Amnesty called on the authorities in France, Italy and Serbia to end the harassment and displacement of members of the Roma community. We also engaged in successful lobbying work and launched further Rapid Responses.

During 2012 Amnesty International published its report, *The Toxic Truth*, uncovering details of the leading international commodity company Trafigura's toxic waste dumping in the Cote d'Ivoire. This report is the culmination of a three-year investigation by Amnesty and Greenpeace into the dumping, the events that led to it, and the action taken in response. As Trafigura is registered in the UK, where some of the decision-making took place, we recently wrote to the Director of Public Prosecutions urging him to consider a criminal investigation under the offence of 'conspiracy' as set out in the Criminal Law Act 1977.

Refugees and asylum-seekers

Amnesty's expertise, reliable testimony about the conditions prevailing in different countries, and the risks attendant to particular individuals and groups, is highly regarded by both government decision-makers and courts. We are pleased to report many significant achievements during 2012.

Evidence presented by our Refugee team at legal asylum cases helped dozens of people secure the right to remain in the UK and protection from persecution over the past year. Among the people who benefited from this were children from Afghanistan. Several cases set important legal precedents which should help other refugees in the future including individuals from Iran, Eritrea, Afghanistan and Somalia. For example, in February 2012 the court of appeal's ruling that the UK's forcible return of an Afghan 17-year-old was unlawful was significant for all Afghan children across Europe. Amnesty gave evidence at the appeal to prove that lone children returned to Afghanistan face serious risk of harm. In another case in May 2012, the European Court of Human Rights granted injunctions against the forcible return of an Iraqi family living in Sweden. The court relied upon Amnesty evidence in this ruling.

In January 2012 the House of Commons Home Affairs committee reported into the 'Rules governing enforced removals from the UK'. The MPs agreed with Amnesty's evidence, that the system of using private contractors to run the 'enforced removal' programme for failed asylum seekers is not fit for purpose. Both Amnesty and the MPs found that private contractors were poorly trained and often used dangerous restraint techniques. In October, Amnesty declared the attempt to remove a Syrian national to Damascus from the UK, despite the civil war in the country, deeply alarming. The planned removal due to take place in October was blocked by the High Court partly due to Amnesty's intervention in this case. Amnesty highlighted that no other EU countries were returning asylum seekers to Syria and it was time the UK followed suit.

Control Arms

The last 12 months saw real progress in Amnesty's efforts to secure a landmark Arms Trade Treaty (ATT), despite some setbacks along the way. In July, on the last day of

a UN conference to finalise the draft treaty text, the US, followed by Russia and China, said they needed more time to consider the issues. It was not the result we wanted but was far from the end of the ATT. Work continued and at the UN General Assembly's First Committee on Disarmament in New York in November an overwhelming majority of states voted to finalise work on the Treaty in March 2013. This was the biggest show of support for the treaty so far, with only 18 countries abstaining and none voting against. At the final negotiating conference in March, we will have a wonderful opportunity to secure a treaty that saves lives and protects human rights.

This would be the culmination of a 17-year campaign by Amnesty and our partners. The entire negotiating process and the success of securing an effective draft treaty is a result of Amnesty and the coalition lobbying governments and mobilising public support in the UK and globally. Our determination helped to turn an inadequate draft into a final text that is close to what we believe is needed. Although a handful of countries have held up negotiations, governments backing the treaty are using the delay to hammer out technical issues and potential loopholes. The conference in March presents an opportunity to push for further improvements.

Hopes are also high that the new Obama administration in the USA will support a reasonably strong treaty when the world's nations meet in March to hammer out a consensus agreement. However, the USA has previously tried to weaken the human rights rules and the scope of the treaty by excluding ammunition, and by favouring watered-down rules on key issues. For Amnesty, the job is now to make sure the agreement next year is one that will ultimately make the greatest difference for victims of armed violence and is not a diluted version agreed by the consensus.

Death Penalty

In January 2012, the Mongolian parliament approved a bill that aims to scrap the death penalty in that state. The move was a vital step closer to complete abolition, and followed two years of campaigning by Amnesty members and activists around the world. In April, Connecticut became the 17th US state to reject capital punishment, and although 33 states still execute their citizens, there are some signs that public opinion is beginning to turn against the practice. Even in states such as Texas and Ohio, which have traditionally been very pro-capital punishment, the number of executions is declining. In November, a renewed battle to repeal the death penalty in California began after voters chose to retain it by a margin of less than six per cent. Although this was a big blow – California has the highest number of prisoners awaiting execution of any US state, with 725 death row inmates – the relatively narrow margin of defeat should spur on human rights activists and campaigners. In other areas of the world, however, there were less positive signs. In addition to an unknown number in China, countries including Iran, Yemen and North Korea each carried out scores of executions. In 2012, Iraq, the Hamas-controlled Gaza Strip in the Occupied Palestinian Territories, and Saudi Arabia all saw a rise in executions. In a particularly troubling development, several countries have recently resumed executions, including Botswana, Japan, the Gambia and India.

Country Campaigning

SYRIA: Donatella Rovera, Amnesty's senior crisis response adviser, made repeated visits to northern Syria in 2012 to

investigate the human rights situation. She found a shocking escalation in unlawful killings, torture, arbitrary detention and wanton destruction of homes. Most places she visited were suffering from armed conflict. In September Donatella investigated attacks which killed 166 civilians, including 48 children and 20 women, and injured hundreds in 26 towns and villages in the Idlib, Jabal al-Zawiya and north Hama regions. We discovered that government forces, pushed into retreat by opposition fighters, were indiscriminately bombing and shelling lost territory – with disastrous consequences for the civilian population. Opposition fighters in Syria have also endangered civilian lives by using imprecise weapons such as mortars and indiscriminate ones such as home-made rockets in populated residential areas. Amnesty International warned Syrian armed opposition groups that they, too, could not violate IHL with impunity. In Aleppo, Syria's largest city, Amnesty witnessed uniformed security forces and plain clothes shabiha militia members firing live rounds against peaceful demonstrators in May. This fresh evidence demonstrated how urgent the need for decisive international action is and put more pressure on our call on the Security Council to refer the situation to the International Criminal Court and to impose an arms embargo on Syria. After considerable lobbying of the UK government, which raised parliamentary questions, the Foreign Secretary William Hague finally stated that the UK will intensify support to get the Security Council to refer Syria to the International Criminal Court. This has been Amnesty's campaign objective since April 2011. Additionally, the UN Human Rights Council in Geneva adopted a resolution on 23 March which condemns the appalling human rights violations in Syria.

EGYPT: Amnesty International congratulated Egypt's new civilian president Mohammed Morsi after his election in June 2012 – and delivered a comprehensive memorandum to him listing all that needed to be done to repair Egypt's abysmal human rights record. Key priorities included ending the military's power to police civilians, reforming the security forces and launching independent investigations into violations of the past – both under Mubarak and the Supreme Council of the Armed Forces (SCAF) who assumed power after the '25 January Revolution' of 2011. One area where there is a long way to go is in ending discrimination against women. A draft constitution approved by Egypt's Constituent Assembly in November 2012 falls well short of protecting human rights and in particularly ignores the rights of women. It also restricts freedom of expression in the name of protecting religion, and allows for the military trial of civilians.

INDIA: India's recent rapid economic growth and industrial development is a story of success for some, but one of deprivation and neglect for millions more. Old issues such as caste, gender and religious discrimination persist. There is little investment in human rights education. Police torture is endemic and extra-judicial killings common, as are repression and harassment of social movements and human rights defenders. Since its inception, over 110,000 people joined the Amnesty India movement. Amnesty India has 23 new staff spread across research, campaigning, education and fundraising functions. A hub of the International Secretariat will soon be opening in Delhi. Amnesty India and Amnesty UK collaborated on a campaign supporting the Dongria Kondh adivasi (indigenous) community's struggle to safeguard their traditional lands and way of life from a proposed bauxite mine in Orissa. The Indian government's rejection of Vedanta's plans was a victory for the community

and human rights groups fighting for their cause. We also supported the fight for justice for survivors of the Bhopal gas tragedy. In October 2012, a primary campaign, the Human Rights Friendly Schools Project, was launched. It will concentrate on implementing human rights education in India's schools.

AFGHANISTAN: Since the fall of the Taleban in 2001 women in Afghanistan have been able gradually to claim their basic human rights – including accessing work and school and voting in local and national elections. But since the re-emergence of insurgency in 2005 by armed groups, including the Taleban, these basic rights are under attack once again. In 2012, much of Amnesty's work in Afghanistan was focused on developing policy and campaigns and building relationships with organisations such as Young Women for Change (YWC), a grassroots movement that campaigns against sexual discrimination and inequality. Amnesty lobbied the UK embassy in Kabul, calling for greater support for Afghan women's human rights defenders, and received a positive response for the UK ambassador. In February, an Amnesty report documented how numbers of displaced Afghans have reached a record half a million. They subsist in dire conditions. We went to the Tokyo International Donors Conference for Afghanistan in July 2012, to lobby that much-needed aid earmarked for Afghanistan is used to tackle women's rights, human rights-based security and help those displaced people. The Afghan president vowed to improve security and fight corruption.

BURMA: In May 2012 Amnesty researchers entered the country for the first time in nine years. They returned with reports of a society that has set out on the road to human rights reform, but that still has a very long way to go. Behind the headlines many human rights abuses continue unabated, including arbitrary arrest and detention, beatings, rapes and extrajudicial killings. In a broadcast on Burmese state-controlled TV in September 2012 – an extraordinary happening in itself – Suu Kyi listed the further changes necessary if Burma is to become a genuinely democratic society: full freedom of the media, an independent judiciary, the revocation of repressive laws and an end to conflict with the country's ethnic minorities. For Amnesty and for the people of Burma it has been a long struggle to keep hope alive, but now at last we see signs of real change.

Human rights education

A key aspect of Amnesty's work is promoting human rights awareness throughout the education system – from primary schools to universities. We produce lessons 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.

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.

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 rights 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

Secret Policeman's Ball

On 4 March 2012 Amnesty USA hosted a Secret Policeman's Ball music and comedy show which took place at Radio City Hall in New York. The event celebrated Amnesty's human rights work over the last fifty years with a focus on the importance of freedom of expression.

The deficit made on the Ball at 31 December 2012 was £793k of which £405k was provided in 2011 and the balance of £388k in 2012. A further £51k in advances on the sale of DVDs is due in relation to a contract signed in early January 2013. As a result the deficit on the Ball at the present time is £742k. We hope to secure further royalty deals in 2013 and additional royalty income will accrue to Amnesty in coming years.

Although the Ball made a deficit, the investment that we made re-energised the Amnesty brand in the UK, the US and globally. There was positive media reporting on both sides of the Atlantic as well as 20 million who saw the coverage on Facebook. Despite being difficult to quantify, we consider the media coverage to have significant financial value.

Fuller details of the achievements and future opportunities created by the Ball will be detailed in our Annual Report.

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.

Policy and government affairs

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

Recruiting and retaining Amnesty supporters

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

We need more supporters for two reasons: to develop human rights activists and to provide secure income streams into the future. Both of these help to increase our impact and effectiveness. This recruitment activity continues to generate future income as well as adding to the pool of those able to take action on human rights abuses. For this reason the Board of UK Section has decided to allocate recruitment costs between Costs of Generating Voluntary Income and Expenditure in Pursuit of Objectives on a 60/40 ratio.

Individual voting membership of the UK Section stood at 150,935 at December 2012. In 2012 the Acquisition team recruited 4,991 new members, exceeding the target of 4,190. We retained 90% of the 146,143 members who were active in December 2011.

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

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

WHAT WE PLANNED FOR THE YEAR ENDED 31 DECEMBER 2012

Our 2012 budget continued to focus on the financial perspectives of AIUK's Strategic Directions set from 2011 until 2016. This included the challenge from the international movement to grow income by 6% per annum.

At the December 2011 Board meeting of UK Section income for 2011 was forecast to be £23.4 million and the Board set a budget for 2012 of £24.7m in line with the 6% growth target. To help achieve that target the Board agreed a further investment of £1.5m in supporter recruitment and £800k towards the development of the Amnesty UK website, with total expenditure in line with 2011 totals. We forecast that half of the additional income would come from major donor

income (including charitable trusts and foundations) and the rest from a range of marketing initiatives including a new lottery, e-comms, shops and sales and increased gift aid. The Board agreed a deficit budget of £1.5m, to be funded from reserves. This would bring us close to our minimum reserves level. As reported to the 2012 AGM, the Board at the same time set a target to bring our budget into balance from 2013 onwards.

PERFORMANCE DURING THE PERIOD

We recognised that income had been quite flat from 2008 to 2011 but we were confident that the investment in new supporters in 2011, stepping up our major donor work, and developing new marketing initiatives would help us towards our growth targets.

The Finance Sub Committee (FSC) met at the end of April to review the first quarter's accounts. Although some areas, including legacies, were performing well there were some concerns in relation to the areas of income we had hoped to provide future long term growth. Our income forecasts at that time suggested income growth of only 2.5% compared to the finalised 2011 position.

This was set against the economic backdrop of a potential double dip recession and job cuts in the public sector raised in the Treasurer's presentation at the AGM earlier that month. As a result we decided that, while we wanted to retain ambitious targets for our fundraisers, we would re-base our budgets and future year projections on growth rates currently being achieved.

Excluding the deferral of some web expenditure into future years, our forecasts between April and October suggested we would meet our planned deficit target of £1.5m.

Our financial position changed positively during November and December where we benefited from an unexpectedly high level of legacy income of £880k. We also received notification that we may be the beneficiary of a gift from an overseas trust of US\$1.1m. This gift was not confirmed until receipt on 21 January 2013. Our accounting policies require us to include this in 2012 income. We obviously cannot rely upon these types of windfalls in planning for future years but for 2012 it has meant our financial position has changed to a close to break-even position.

Looking at the year as a whole, legacy income has performed well and income from existing supporters has been better than anticipated. We also benefited in 2012 from deferral of web expenditure however we still expect to incur all of this expenditure over the next few years, so there will be no effect on the long-term level of our reserves. At the same time, income from our major donor programmes indicated that several of our marketing initiatives have not yet been successful. We invested a further £400k in putting on the Secret Policeman's Ball event in New York in March (we had invested a similar amount of preliminary expenses in the last quarter of 2011). We anticipate royalty income of at least £100k in 2013 and are working to secure further worldwide deals on sales of books and DVDs. We will continue to receive royalty income for many years.

Our contribution to the global movement in 2014 will be based on our 2012 income. As a result of our higher than expected 2012 income the 2014 contribution will therefore be

significantly higher than previously expected, (exacerbated by exchange rate movements) and this should be born in mind when assessing our reserves position.

BUDGET 2013

As agreed by the Board of UK Section in December 2011 and reported to the 2012 AGM, AIUK should have a close to break-even budget for 2013.

As required by the UK Section EGM resolution 6 the 2013 budget proposals will be presented to the UK Section AGM in April.

CORPORATE RELATIONS

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

FINANCIAL INDEPENDENCE

Amnesty International is independent of any government, political ideology, economic interest or religion. It does not support or oppose any government or political system, nor does it necessarily support the views of the victims whose rights it seeks to protect. To ensure our independence, we do not seek or accept money from governments or political parties. In no way do monies received from corporate donors influence or affect our ability to campaign.

INVESTMENT POLICY

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

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

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

Statement on risk and reserves

1. OVERVIEW

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

The organisation concerns itself with human rights in an

ever-changing environment and the Boards are very much aware that the risks facing the organisation are not constant. Consequently, the monitoring of risk will continue to be a high priority for the Boards.

2. MAJOR RISKS AND UNCERTAINTIES

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

i) Regulatory compliance

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

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

ii) Legal claim relating to website or publications content

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

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

iii) Political attack

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

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

- build and strengthen Amnesty as a democratic movement, that also engages effectively with the general public in the UK
- be open and transparent
- be independent of, but develop constructive relationships with a broad range of political parties
- develop relationships with and earn the respect of the media.

iv) Supporter retention

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

recruit new supporters to replace those who cease to make donations.

Strategies to manage the effects of this risk are:

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

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 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 £5.2 million.

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

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

The surplus of free reserves at 31 December 2012 stood at £1.5 million. This includes legacy income of £0.7 million which had not been received at the year end.

In relation to our current surplus reserves we are mindful of organisational restructuring plans to be discussed at the 2013 AGM in April and the desire of the Amnesty movement to fund more human rights work in the global south and east. We plan to review our reserves policy, and the minimum level of reserves that we should hold, with our auditors during the second half of 2013.

Auditors

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

Thank You

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

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

A handwritten signature in black ink, appearing to read 'PJM', with a long horizontal stroke underneath.

Peter James Murray, Director

28 March 2013

REPORT OF THE INDEPENDENT AUDITORS OF AMNESTY INTERNATIONAL UNITED KINGDOM

To the Boards of Amnesty International United Kingdom

We have audited the accompanying pro forma combined financial statements of the entities listed in Note 2 (together "the Organisation") (the "financial statements") for the year ended 31 December 2012 which comprise the Combined Statement of Financial Activities, the Combined Balance Sheet, the Combined Cash Flow Statement and the related notes. These financial statements have been prepared in accordance with the basis of accounting set out on page 18 and the accounting policies set out therein.

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

RESPECTIVE RESPONSIBILITIES OF THE BOARDS AND AUDITORS

The Boards are responsible for preparing the annual report and the pro forma financial statements in accordance with the basis of accounting and the accounting policies set out on pages 18 and 19.

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

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

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

OPINION

In our opinion:

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



Andrew Stickland

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

4 April 2013

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

COMBINED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2012

	Note	Unrestricted Funds Dec-12 £000s	Restricted Funds Dec-12 £000s	Endowment Funds Dec-12 £000s	Total Funds Dec-12 £000s	Total Funds Dec-11 £000s
Incoming resources from generated funds						
Voluntary income						
Subscriptions and donations from members and supporters	3	17,154	101	231	17,486	16,454
Legacies	3	2,913	-	-	2,913	2,635
Gift Aid	3	1,396	-	-	1,396	1,366
Grants	3	-	190	-	190	189
Total voluntary income		21,463	291	231	21,985	20,644
Activities for generating funds	4	3,566	-	-	3,566	2,760
Income from pursuit of objectives	5	202	-	-	202	253
Investment and other income	6	37	-	-	37	38
Total incoming resources		25,268	291	231	25,790	23,695
Expenditure						
Cost of generating voluntary income	3	4,705	25	-	4,730	5,843
Activities for generating funds	4	3,328	-	-	3,328	2,266
Total cost of generating funds		8,033	25	-	8,058	8,109
Expenditure in pursuit of objectives						
Human rights campaigning	7	7,553	253	-	7,806	8,565
Research: human rights violations	7	7,637	180	-	7,817	6,984
Investment in activist recruitment	7	1,635	-	-	1,635	2,258
Total expenditure in pursuit of objectives		16,825	433	-	17,258	17,807
Governance costs	8	524	-	-	524	484
Total resources expended		25,382	458	-	25,840	26,400
Net (deficit)/surplus for the year before revaluation		(114)	(167)	231	(50)	(2,705)
Unrealised gain on revaluation of investment asset	15	-	-	2	2	4
Net movement on funds		(114)	(167)	233	(48)	(2,701)
Total funds brought forward	15/16	13,296	346	224	13,866	16,567
Total funds carried forward	15/16	13,182	179	457	13,818	13,866

All amounts relate to continuing activities. There are no recognised gains or losses other than the deficit for the year. The notes on pages 18 to 29 form part of these financial statements.

COMBINED BALANCE SHEET

at 31 December 2012

	Note	Dec-12 £000s	Dec-12 £000s	Dec-11 £000s	Dec-11 £000s
Fixed assets					
Tangible fixed assets	12	10,214		10,460	
Investments	12	264		31	
			10,478		10,491
Current assets					
Debtors	13	2,841		1,967	
Cash at bank and in hand		4,318		4,557	
		7,159		6,524	
Creditors: amounts falling due within one year	14	(921)		(791)	
Net current assets			6,238		5,733
Creditors: amounts falling due after more than one year	14		(2,898)		(2,358)
Total net assets			13,818		13,866
Reserves					
Restricted					
Endowment	15	457		224	
Grants	15	179		346	
			636		570
Unrestricted					
Undesignated	16	5,161		5,195	
Designated	16	8,021		8,101	
			13,182		13,296
Total reserves			13,818		13,866

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

28 March 2013



Brian Landers, Treasurer

The notes on pages 18 to 29 form part of these financial statements.

COMBINED 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	17		(274)		(2,434)
Returns on investment and servicing of finance					
Interest received	6	37		38	
Interest paid	9	(116)		(138)	
Net cash outflow from return on investments and servicing of finance			(79)		(100)
Taxation					
Corporation tax paid	11		0		0
Capital expenditure and financial investment					
Gift of fixed asset investments	12	(231)		-	
Maturing fixed asset investments	12	-		193	
Payments to acquire tangible fixed assets	12	(195)		(112)	
Net cash (outflow)/inflow from capital expenditure and financial investment			(426)		81
Financing					
Increase/(decrease) in long term debt			540		(1,031)
Decrease in cash			(239)		(3,484)

The notes on pages 18 to 29 form part of these financial statements

NOTES FORMING PART OF THE PRO FORMA COMBINED FINANCIAL STATEMENTS

for the year ended 31 December 2012

1. AIMS AND ORGANISATION

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

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

2. ACCOUNTING POLICIES

Basis of accounting

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

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

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

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

Income and expenditure

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

Fixed assets

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

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

Investments

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

Pensions

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

Indemnity insurance

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

Funds

Funds are distinguished between restricted, designated and unrestricted funds. Income, expenditure, assets and liabilities for each classification of funds are accounted for separately. Further details are shown in the statement of financial activities for the year to 31 December 2012.

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					
Subscriptions and donations from supporters and members	17,154	101	231	17,486	16,454
Legacies	2,913	-	-	2,913	2,635
Gift Aid	1,396	-	-	1,396	1,366
Grants received (see note 3.1)	-	190	-	190	189
	21,463	291	231	21,985	20,644
Costs of generating voluntary income					
Investment in supporter recruitment	2,452	-	-	2,452	3,386
Supporter care	805	-	-	805	805
General fundraising	1,261	25	-	1,286	1,461
Gift Aid	13	-	-	13	27
Legacies	174	-	-	174	164
	4,705	25	-	4,730	5,843
Net voluntary income generated	16,758	266	231	17,255	14,801

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 £854k of apportioned support costs. See note 9 – (2011: £1,022k).

3.1 ANALYSIS OF RESTRICTED INCOME

The following restricted income was 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
		<hr/>
		101

Grants:

Diana Princess of Wales 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 / 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
		<hr/>
		190

Total restricted funds

291

The Boards would like to express their gratitude to those funders for their generous grants.

4. ACTIVITIES FOR GENERATING FUNDS

	Income	Expenditure	Net funds generated	Income	Expenditure	Net funds generated
	Dec-12	Dec-12	Dec-12	Dec-11	Dec-11	Dec-11
	£000s	£000s	£000s	£000s	£000s	£000s
Shops	523	585	(62)	454	519	(65)
Sales	136	253	(117)	135	137	(2)
Corporate Relationships	324	2	322	302	1	301
Royalties	5	12	(7)	13	11	2
Community fundraising	707	242	465	770	390	380
Events	22	401	(379)	25	378	(353)
Secret Policeman's Ball	856	1,244	(388)	-	405	(405)
Appeals	649	281	368	750	300	450
Weekly Lottery	10	180	(170)	-	-	-
Raffles	334	128	206	311	125	186
	3,566	3,328	238	2,760	2,266	494

Included in the costs of activities for generating funds is £365k of apportioned support costs. See note 9 (2011: £433k). Many events are carried out primarily to raise public awareness of Amnesty and its activities, with income generation often being a by-product. We are aware that these events make a significant contribution to the furtherance of our fundraising programmes and bring lasting financial benefits.

5. INCOME IN PURSUIT OF OBJECTIVES

	Dec-12	Dec-11
	£000s	£000s
Income from human rights publications and campaigning materials	202	253

During 2012 we reduced the number of supporter magazines from six to five.

6. INVESTMENT INCOME

	Dec-12	Dec-11
	£000s	£000s
Interest receivable on bank deposits	26	38
Interest receivable on fixed asset investments	11	-
Total investment and other income	37	38

7. EXPENDITURE IN PURSUIT OF OBJECTIVES

	Dec-12 Unrestricted £000s	Dec-12 Restricted £000s	Dec-12 Total £000s	Dec-11 Total £000s
Human Rights Campaigning				
Production and distribution of human rights publications and campaigning materials	1,636	-	1,636	1,776
Campaigns and activism support	1,347	-	1,347	1,378
Human rights education	733	-	733	770
Media	681	-	681	688
Policy	558	-	558	588
Nations and regions	430	-	430	575
Individuals at risk	431	5	436	472
Amnesty in the community	218	-	218	259
Art for amnesty	288	-	288	323
Grants to AIEU Section	244	-	244	245
Dignity	82	31	113	217
Youth activism	135	-	135	173
Refugees & asylum	130	132	262	267
Control arms	73	65	138	125
Corporate & social responsibility	129	-	129	120
Lesbian, gay, bisexual, transexual	52	-	52	98
Country campaigning	155	20	175	302
Security & human rights	84	-	84	65
Death penalty	64	-	64	51
Women's human rights	83	-	83	73
Total human rights campaigning	7,553	253	7,806	8,565
Research into and relief of human rights violations				
Grant to Amnesty International Charity Limited	7,637	180	7,817	6,684
Grant to Amnesty International Limited	-	-	-	300
Total research: human rights violations	7,637	180	7,817	6,984
Investment in activist recruitment				
Investment in activist recruitment	1,409	-	1,409	2,030
Support costs apportioned (see note 9)	226	-	226	228
Total investment in activist recruitment	1,635	-	1,635	2,258
Total expenditure in pursuit of objectives	16,825	433	17,258	17,807

Included in the cost of human rights campaigning is £2,465k of apportioned support costs. See note 9 – (2011: £2,915k).

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

8. GOVERNANCE COSTS

	Dec-12 £000s	Dec-11 £000s
Members' annual general meeting and national conference	224	220
International council meeting (biennial meeting of global movement)	-	20
Other direct governance costs	300	244
Total governance cost	524	484

None of the Board members received remuneration during the year. The total of expenses reimbursed to Board members was £19,286, including £10,897 repaid to the Chair. All expenses related to travel, accommodation and subsistence costs incurred in relation to attendance at Board meetings, other governance meetings and Amnesty events. Our governance costs often fluctuate due to the timing of our biennial council meetings; there was no major international council meeting in the current year but there was one in the previous year. Included in governance costs is £63k of apportioned support costs. See note 9 – (2011: £86k).

9. SUPPORT COSTS

	Dec-12 £000s	Dec-11 £000s
Staff costs	1,714	1,545
Staff and volunteer training and welfare	201	308
Premises costs	783	926
Irrecoverable VAT	(28)	613
Interest payable on mortgage loan	116	138
Depreciation	408	421
Other support costs	779	733
Total support costs	3,973	4,684

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

Apportionment of support costs

	Dec-12 £000s	Dec-11 £000s
Cost of generating voluntary income	854	1,022
Activities for generating funds	365	433
Human rights campaigning	2,465	2,915
Investment in activist recruitment	226	228
Governance	63	86
Total support costs apportioned	3,973	4,684

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

	Dec-12 £000s	Dec-11 £000s
Wages and salaries	7,076	6,756
Social security costs	748	737
Pension costs	414	401
	8,238	7,894

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

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

	Full-time equivalents	Cost £
Cost of generating voluntary income	41	1,793
Activities for generating funds	13	537
Human rights campaigning	90	4,126
Support	35	1,681
Governance	2	101
Total	181	8,238

There were 248 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 181 full-time posts.

Salary band £000s	Dec-12 £000s	Dec-11 £000s
0 - 10	40	27
10 - 20	46	41
20 - 30	46	42
30 - 40	60	64
40 - 50	41	39
50 - 60	12	13
60 - 70	2	3
90 - 100	1	1
	248	230

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

11. TAXATION

	Dec-12 £000s	Dec-11 £000s
Taxation on profit on ordinary activities		
Total current tax	-	-
Deferred tax		
Movement in deferred tax provision	-	-
Taxation on profit on ordinary activities	-	-
Reconciliation	Dec-12 £000s	Dec-11 £000s
Loss on ordinary activities before tax	(114)	(2,705)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 24% (prior year 26%)	(27)	(703)
Net non-taxable income	16	715
Increase/(decrease) in trading losses in the year	5	(17)
Capital allowances in excess of depreciation	6	5
Current tax charge for period	-	-
Provision for deferred tax – treated as unprovided	£000s	
Deferred tax at 23%		
Balance at 1 January 2012	(217)	
Movement	(11)	
Balance at 31 December 2012	228	
The year end unprovided deferred tax asset comprises	£000s	
Accelerated capital allowances	278	
Losses available to carry forward	(506)	
	(228)	

12. FIXED ASSETS

Tangible Fixed Assets	Freehold land and buildings £000s	Plant & Machinery £000s	Computer equipment/ infrastructure £000s	Office Equipment £000s	Leasehold Improvements £000s	Total £000s
Cost						
at 1 January 2012	9,732	1,691	822	749	18	13,012
Additions	-	-	190	3	2	195
Disposals	-	-	(121)	(33)	-	(154)
at 31 December 2012	9,732	1,691	891	719	20	13,053
Depreciation						
at 1 January 2012	863	583	629	464	13	2,552
Charge for the year	125	85	118	78	2	408
Disposals	-	-	(121)	-	-	(121)
at 31 December 2012	988	668	626	542	15	2,839
Net book value						
at 31 December 2012	8,744	1,023	265	177	5	10,214
at 31 December 2011	8,869	1,108	193	285	5	10,460

Freehold land and buildings

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

The cost of the asset shown above includes the purchase price and associated expenses together with capitalised costs incurred in beginning the refurbishment works. The cost of the land included above is £3,500,000.

Investments	Dec-12 Total £000s	Dec-11 Total £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

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 15)

13. DEBTORS

	Dec-12 £000s	Dec-11 £000s
Tax recoverable on gift aid	660	372
Accrued legacy income	668	739
Trade debtors	44	86
Other debtors, prepayments and accrued income	1,299	570
Value Added Tax recoverable	170	200
	2,841	1,967

All amounts are due within 12 months.

14. CREDITORS

Amounts falling due within one year	Dec-12 £000s	Dec-11 £000s
Trade creditors	447	166
Mortgage loan	135	128
Accruals and deferred income	139	234
Payroll taxes and other creditors	200	263
	921	791

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 Secretariat	705	-
	2,898	2,358

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

15. RESTRICTED FUNDS

Endowment fund	Total £000s
Opening market value at 1 January 2012	224
Total incoming resources	231
Unrealised gain for the year	2
Closing market value at 31 December 2012	457

Represented by:

Fixed Assets	264
Cash at Bank	193
	457

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

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

In February 2012 Mr Wong made a further gift of US \$250k United States Federal Government 7.625% Coupon Bonds maturing in January 2023. At the maturity dates of the bonds, the Trustees are obliged to maintain the capital in perpetuity and apply the income of the fund in furtherance of the Trust's charitable objectives. The endowment fund represents cash and bonds (stated at market value - see note 12). The bonds must be held until their maturity dates.

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

Restricted grants	Total £000s
At 1 January 2012	346
Income (see note 3.1)	291
Expenditure (see note 7)	(458)
At 31 December 2012	179

Represented by:

Refugees	59
MENA – Middle East and North Africa	50
Security and Human Rights	40
India	21
Israel - OPT (Occupied Palestinian Territories)	8
Arms Trade Treaty	1
Cash at bank	179

16. UNRESTRICTED FUNDS

	Fixed Asset reserve £000s	Total Designated Funds £000s	Total Undesignated Funds £000s	Total Unrestricted Funds £000s
At 1 January 2012	8,101	8,101	5,195	13,296
Utilised during year	-	-	(114)	(114)
Movement between reserves	(80)	(80)	80	-
At 31 December 2012	8,021	8,021	5,161	13,182

Represented by:

Tangible fixed assets	10,214	10,214	-	10,214
Cash at bank	-	-	3,946	3,946
Net current assets	-	-	1,920	1,920
Long term liabilities	(2,193)	(2,193)	(705)	(2,898)
	8,021	8,021	5,161	13,182

Fixed Asset reserve

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

17. NOTES TO CASH FLOW STATEMENT

Reconciliation of operating deficit to net cash outflow from operating activities	Dec-12 £000s	Dec-11 £000s
Deficit before taxation	(50)	(2,705)
Depreciation	408	421
Loss on disposal of fixed assets	33	-
Interest received	(37)	(38)
Interest paid	116	138
(Increase)/decrease in debtors	(874)	192
Increase/(decrease) in creditors	130	(442)
Net cash outflow from operating activities	(274)	(2,434)

Reconciliation of net cash flow to movement in net funds	Dec-12 £000s	Dec-11 £000s
Decrease in cash	(239)	(3,484)
Cash (outflow)/inflow from changes in net debt	(540)	1,031
Movement in net cash	(779)	(2,453)
Opening net funds	2,199	4,652
Closing net funds	1,420	2,199

Analysis of net funds	At 1 Jan 2012 £000s	Cash flows £000s	At 31 Dec 2012 £000s
Cash in hand and at bank	4,557	(239)	4,318
Debt due after one year	(2,358)	(540)	(2,898)
	2,199	(779)	1,420

18. COMMITMENTS UNDER OPERATING LEASES

Operating leases which expire	Dec-12 £000s	Dec-11 £000s
Within one year	39	45
In two to five years	122	141
	161	186
Analysed between		
Hire of plant and machinery	16	38
Other operating leases	145	148
	161	186

