

Amnesty International
United Kingdom Section

FINANCIAL STATEMENTS

for the year ended 31 December 2011

Amnesty International
United Kingdom Section
**FINANCIAL
STATEMENTS**
for the year ended 31 December 2011

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AMNESTY INTERNATIONAL UNITED KINGDOM SECTION FINANCIAL STATEMENTS

for the year ended 31 December 2011

Amnesty International United Kingdom Section – a company limited by guarantee

Company reg. number 1735872
Date of incorporation 30 June 1983

Board members

Ciaran Helferty	Chair (appointed 10 June 2011)
Brian Landers	Treasurer
Emma France	Vice-chair (appointed 10 June 2011)
Katie McSherry	
Rona Keen	
Peter J Murray	
Sharmila Kar	
Sarah O'Grady	
Collette Anne Crill	
Hannah Perry	(elected 3 June 2011)
Brian Gilda	(elected 3 June 2011)
Harrison Littler	(elected 3 June 2011)
Cris Burson-Thomas	(co-opted 3 June 2011)
Tom Hedley	(chair: retired 3 June 2011)
Duncan Booth	(retired 3 June 2011)
Caroline Fisher	(retired 3 June 2011)
Réshad Suffee	(resigned 15 July 2011)

Secretary and Registered office

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email: financecontact@amnesty.org.uk

Bankers

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

External auditors

BDO LLP
East Street
Epsom KT17 1HS

Internal auditors

Sayer Vincent
8 Angel Gate
City Road
London EC1V 2SJ

Solicitors

Bates, Wells & Braithwaite
Cheapside House
138 Cheapside
London EC2V 6BB

REPORT OF THE BOARD

Objectives and activities

1. KEY OBJECTIVES AND STATEMENT OF BENEFITS

Amnesty International United Kingdom Section ("UK Section") is part of the worldwide Amnesty International movement, which campaigns for internationally recognised human rights to be respected and protected.

The vision and mission of the 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.

The UK Section 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 UK 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

The UK Section currently employs the equivalent of 144 full-time salaried staff (see note 10) based in offices in London, Belfast, Cardiff and Edinburgh. This is a relatively small part of the Amnesty movement in the United Kingdom, as many activities are undertaken by unpaid volunteers.

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

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

3. ACTIVITIES AND ACHIEVEMENTS

INDIVIDUALS AT RISK OF HUMAN RIGHTS ABUSE

Write for Rights: in 2011 we joined the movement's global letter-writing marathon for the first time, combining it with our annual Greetings Card Campaign. There were events in 83 countries, generating over a million actions across the world in what became our biggest letter-writing campaign ever. In the UK alone over 200 letter-writing events took place in towns, cities, schools and universities across the country as supporters wrote tens of thousands of letters and cards.

Urgent Action Network: the members of our Urgent Action (UA) Network write appeals to the relevant authorities when human rights violations require an immediate response – for example to avert torture or imminent execution. UAs are a global action technique that allows us to respond quickly to cases and issues, and can be updated as the situation on the ground changes. The UK Section takes up every UA case issued by the International Secretariat. In 2011 network members took action on 369 new UAs, compared to an average of around 350 in previous years. Much of the increase was generated by the crisis in the Middle East and North Africa.

CORPORATE SOCIAL RESPONSIBILITY

Vedanta: in July Amnesty published its "Generalisations, Omissions, Assumptions" report, which revealed that the company had failed to adequately assess the impacts of its proposed projects in Orissa, India. Many of its recommendations are reflected in the conditions that the Indian government's Environmental Appraisal Committee imposed on Vedanta in August 2011. Thousands of families face serious risk from threats of leaks from Vedanta's red mud pond. Levels of red mud in the pond have risen and local communities fear that they could face a grave situation in the event of a breach of the pond. Amnesty International is also engaging some of Vedanta's key investors to hold the company accountable for the impact of its past and future operations on the human rights of local communities.

Shell: in November 2011, Amnesty and the Centre for Environment, Human Rights and Development released "The true tragedy: delays and failures in tackling oil spills in the Niger Delta", a report that called for Shell to commit an initial

US\$1bn to begin the clean-up. Amnesty student groups have been targeting Shell's exhibits at careers fairs and recruitment events on campus, distributing leaflets and talking to Shell employees who were unaware of the situation in Nigeria.

Forced evictions: Amnesty campaigns against housing rights violations, takes action to show solidarity with people who have been forcibly evicted, and defends people threatened with forced eviction across the world, including in the UK. In 2011 Amnesty supporters took action against forced evictions across the world including in Italy, Serbia, Guatemala, Egypt and Kenya. In March 2011, the Deep Sea community in Nairobi suffered a devastating fire where 90% of the community lost their homes and at least one woman died. Amnesty made calls for emergency provision to be made for the homeless residents as the authorities were slow to respond and hundreds of people were left without food or shelter. In the aftermath, local officials attempted to block residents from returning to the site to rebuild. Amnesty intervened, releasing statements and contacting the authorities directly. Subsequently, residents were allowed back and were able to rebuild most of the community within a few months.

REFUGEES AND ASYLUM-SEEKERS

Destitution: Amnesty student activists slept on the streets for a night to raise awareness about the destitution of refused asylum seekers. More than 1,000 people took part in 32 sleep-outs across the UK.

Enforced removals: Amnesty helped to secure an injunction against the forcible removal of a group of Iraqi asylum seekers, just hours before they were due to be put on a charter flight. Since then, there have been no more attempts to fly refugees back to Iraq on chartered planes, although a few have been returned by scheduled flights. Amnesty International continues to oppose the UK government's view that asylum seekers can safely be returned to Iraq and the Court of Appeal has given us permission to challenge it in the courts.

Legal casework: Amnesty gave evidence in more than 50 asylum appeals – in the overwhelming majority of these, the appellant won. Several of the cases set important legal precedents. For example, a judgment in early 2012 significantly improved the situation for Afghan children seeking asylum in the UK.

CONTROL ARMS

Arms Trade Treaty (ATT): twenty years of campaigning by Amnesty comes to a head in July 2012, when final negotiations open at the UN on the international Arms Trade Treaty (ATT). Over the past year our international research and lobbying has laid the groundwork and campaigners from Amnesty and the Control Arms coalition attended two preparatory conferences. A July meeting in New York produced a strong text on human rights and on broad inclusion of weapon types but it remained weak on transparency, regulating potentially lethal riot control equipment, and gender-based violence. There are still big challenges ahead. While some states clearly did not want a robust treaty, others tried to strip out key recommendations on a strong human rights rule or the inclusion of ammunition. We are urging political leaders here to ensure UK support for the treaty does not wane.

Cluster Bombs: our campaign focused on Royal Bank of Scotland, the biggest funder of companies which produce cluster bombs. More than 10,000 people e-mailed RBS Chief Executive Stephen Hester to demand the bank stop these investments. Cluster bombs kill and maim many more civilians than combatants. We prepared a hard-hitting mass advertising campaign, backed by public donations. Two days before the advertisements were due to go out RBS announced its intention to stop the controversial funding. Our next step is to push the government to work with banks and non-governmental organisations to draft a code of conduct encouraging all banks and investors to withdraw funding from cluster bomb manufacturers.

Tasers: we continue to voice concern about the wider deployment of tasers to non-specialist police officers and about the lack of clarity over their use. We remain in dialogue with the police, government and other bodies and are continuing our advocacy and media work on this issue.

SECURITY AND HUMAN RIGHTS

Guantánamo Bay: almost 18,000 people around the world signed an Amnesty petition calling on President Obama to close the detention centre. We also lobbied the UK Foreign Secretary William Hague on behalf of Shaker Aamer, a UK resident who has been held at Guantánamo without charge or trial for 10 years. Members also wrote to US Secretary of State Hillary Clinton to call on her to take action on the case.

DEATH PENALTY

Troy Davis: The execution of Troy Davis on 21 September 2011, after 20 years on death row in Georgia, USA, showed the death penalty in all its cruelty and unfairness. The state of Georgia insisted on going ahead with the execution, despite the serious doubts about his guilt. Troy himself remained a campaigner to the last, seeing his own story as part of the long struggle to abolish the death penalty. In his final statement before being put to death, he maintained his innocence of the crime and asked his friends and family to 'continue to fight the fight'.

End stoning in Iran: Amnesty is working alongside Iranian campaigners to end stoning, a particularly cruel method of execution. The Iranian authorities declared a moratorium on stoning in 2002, but at least six people have been stoned to death since then. At present, four men and 10 women are believed to be under sentence of death by stoning. After learning that the Iranian authorities are reviewing the Penal Code, Amnesty groups have been sending action cards to Iran calling for stoning to be removed from the code. We hope to see results when the review of the Penal Code is completed.

COUNTRY CAMPAIGNING

Nicaragua: Amnesty has been working with women's groups in Nicaragua to lobby for a better response to sexual violence and a repeal of the total ban on abortion. When Amnesty delegates visited the country, they persuaded four presidential candidates in Nicaragua's election to pledge zero tolerance for violence against women. The delegation also presented a petition of 212,165 signatures from people in 115 countries to eradicate sexual violence against women and girls.

Burma: Amnesty activists continued to put pressure on the authorities to release political prisoners and completed a project to distribute radios to rural communities. Since the discredited elections in November 2010 there have been signs of change. Following the release of opposition leader Aung San Suu Kyi shortly after the poll, her National League for Democracy was reinstated as a legal political party, and she is running in a by-election in April 2012. In May 2011 the authorities reduced all prison sentences by one year and commuted all death sentences to life imprisonment. In October they announced that – for the first time in 50 years – trade unions would be allowed to organise. And by the end of January 2012, nearly 500 political prisoners – including many that Amnesty campaigned for – had been released. More than 1,000 remain in jail however.

Middle East and North Africa: Over the year Amnesty researchers made multiple visits to Tunisia, Egypt, Bahrain, Libya, Iraq, Lebanon, Algeria, Israel and the Occupied Palestinian Territories, Turkey, and the United Arab Emirates, sometimes at considerable risk to their lives and safety. Amnesty took action demanding an end to arms transfers to repressive states in the region, calling on the European Union to protect migrants and refugees fleeing the fighting in Libya, and called on members of the UN Security Council to help stop the bloodshed in Syria by imposing an arms embargo, freezing the assets of President Assad and referring the situation to the International Criminal Court.

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:

Amnesty TV: the online video channel, Amnesty TV (tv.amnesty.org.uk) launched in July 2011. A mixture of humour, satire and human rights messages, it is a bold experiment in engaging with new audiences. It aims to entertain a young, mainstream, internet-savvy demographic with short accessible items and puts human rights issues in front of thousands of people who might not be reachable via, or amenable to, traditional campaigning methods.

Events: Amnesty events are a way to connect with people, to share some incredible stories, get more people involved, and to feel like you're part of something important. This year's events have raised thousands of pounds, and together we have marked Amnesty's 50th anniversary up and down the country.

Media: part of our work involves targeting particularly influential media – such as BBC Radio 4's Today programme. Between April and September, Amnesty went on Today 14 times. Subjects included Amnesty's report on child soldiers in Somalia, our withdrawal from the UK Detainee Inquiry and the Arab Spring.

Digital: Digital activism has been an exciting part of 2011 for Amnesty. Amnesty's websites, presence on social networking sites including Facebook and Twitter, and other forms of digital communication help us to get our message out quickly, connect with new audiences, and expand our campaigning, fundraising and outreach work. Over the past year, there has been a huge growth in the number of people we reach through digital technology. More than 2 million

people visited Amnesty's websites in 2011. Over 61,000 people have 'liked' the Amnesty UK Facebook page, up by 69% from 2010, while around 43,000 people follow our Twitter account. In line with our online vision for the future, we are currently re-developing our website.

AMNESTY IN THE COMMUNITY

Hundreds of items appeared in local media as a result of the work of our local groups, who took to the high streets and other venues with all kinds of events – everything from comedy nights and concerts to tea parties and world record attempts – to raise awareness of Amnesty and our campaigns. Through these efforts Amnesty maintains an enviable profile locally, often reaching people who don't consume national media. Activists are also fantastic fundraisers working hard to make money in a difficult financial environment. Our groups raised £220,000 in 2011.

Our youth supporter base saw a big increase in this anniversary year. At least 114 new youth groups were set up in schools and we have 10 new student groups. The 2011 Amnesty student conference, held in November at the Human Rights Action Centre in London, was attended by 250 students from groups across the UK. The focus of the conference was on delivering a strong Arms Trade Treaty in 2012. There were 25 expert speakers, 20 workshops and entertainment from two poets and a comedian.

HUMAN RIGHTS EDUCATION

Our work with schools aims to reach children and young people by encouraging teachers to bring human rights into the classroom and the entire school ethos. We offer educational materials, training and advice, to help them do this – all of which is tailored to the education systems in England, Scotland, Wales and Northern Ireland.

Speak Free: a key plank of our work is the annual schools pack, which in 2011 was entitled 'Speak Free', with the twin themes of freedom of expression and Amnesty's 50th anniversary. Produced in English and Welsh, with an accompanying sticker competition, the pack was distributed to 4,484 schools across the UK. An additional 295 schools in Wales received the Welsh and English packs. Teachers, students and youth activists contributed to the pack's development.

Schools speakers: more activists than ever trained as school speakers in 2011. By the year end, the numbers of speakers had risen by 33 to a total of 160. At least 51,000 students were reached through school speaker workshops, compared to around 45,000 in 2010. Training events were held in Edinburgh, Cardiff, London, Belfast, Durham, and Peterborough. In Birmingham we held a training and information-sharing session for experienced speakers, drawing on the ideas and experience of seasoned Amnesty speakers.

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.

TRANSPARENCY AND ACCOUNTABILITY

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. Download: www.amnesty.org.uk/

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 in Pursuit of Objectives on a 60/40 ratio.

Individual voting membership of the UK Section stood at 146,143 at December 2011. (December 2010 152,768).

In 2011 the Acquisition team recruited 5,532 new members, meeting the target of 5,514. We retained 90% of the members who were active in December 2010.

In 2012 we plan to maintain the 90% retention rate. The Acquisition team target for 2012 is to recruit 4,190 new members.

The forecasted number of members at end of 2012 is 139,240.

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.

Our income from members and supporters was 1% down compared to the previous nine-month period on a pro-rata basis. While we recognise that income has flattened out since 2008 we are very grateful for the continuing support we receive from our members during difficult economic times. Grant income was reduced because we did not apply for a campaign support grant from Amnesty International (UK Section) Charitable Trust. We were aware that the Trust was allocating its resources to a major recruitment drive and that it was unlikely that funds would be available during 2011.

Other income was lower; income from trading, including our shops and catalogue suffered although our community fundraising team did an excellent job raising almost an additional £100,000 compared to the previous financial period.

Our expenditure on human rights campaigning, research and activism increased by around £600,000 in comparison to the previous financial period and was broadly in line with our budgets, however there were other expenditure areas where we did not meet our targets. Fundraising expenditure was also close to expectations and we achieved our budget targets for supporter recruitment. We increased expenditure in some events areas including the launch of "Amnesty TV", an on-line video channel.

Overall our deficit for the year was in line with expectations, and funded from our excess reserves. This is not sustainable and our 2012 projections show a much reduced deficit. Our excess reserves will allow some confidence that we can maintain our campaigning work at current levels during these volatile economic times.

CORPORATE RELATIONS

In 2007 Amnesty International's Executive Committee finalised its international policy on this subject. Following this the Board 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.

Statement on risk and reserves

1. OVERVIEW

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

2. MAJOR RISKS AND UNCERTAINTIES

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

i) Legal claim relating to website or publications content

The Board is 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.

ii) Political attack

It is possible that the Amnesty International movement could become subject to a political attack which then impacted on the UK Section. 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 the UK Section 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.

iii) Supporter retention

Regular membership subscriptions and donations from individual supporters normally make up around 80 per cent of the UK Section's total voluntary income. The Board is 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 Board
- 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 Board take a risk based approach to reserves; therefore our policy is to hold a level of unrestricted free reserves (ie ignoring tangible fixed assets to the extent that they are not funded by debt) sufficient to meet the quantification of the risks on the risk register.

As at 31 December 2011 the unrestricted free reserves stood at £3.7 million.

The target free reserves are calculated on the basis of the financial impact and probability of the significant risks identified in the risk assessment, and amount to £2.2 million.

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

SURPLUS OF RESERVES ABOVE REQUIREMENT

The surplus of free reserves above target at 31 December 2011 stood at £1.5 million. As discussed earlier in our financial review, we plan to allocate our additional reserves primarily to maintain our human rights campaigning work at existing levels throughout the economic downturn.

Structure, governance and management

OVERVIEW OF OUR STRUCTURE IN RELATION TO THE WORLDWIDE AMNESTY INTERNATIONAL MOVEMENT

Amnesty International is an unincorporated worldwide movement which has as its objective the securing throughout the world of the observance of the Universal Declaration of Human Rights.

The movement consists of independent sections throughout the world and an International Secretariat in London consisting of two companies – Amnesty International Limited and Amnesty International Charity Limited.

The UK Section 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.

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

Amnesty International United Kingdom Section ("the UK Section"): a membership organisation whose policy and priorities are set, within the context of decisions of the International Council of Amnesty International, by the members at the Annual General Meeting. The UK Section pursues the objective of the movement in the United Kingdom by campaigning for observance, and opposing violations, of human rights. In August 2006 the UK Section acquired Amnesty Freestyle Limited, a trading company.

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

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

The Boards are reviewing the structure of both organisations as they believe there may be changes that could be made that would increase the ability of Amnesty to receive the tax benefits that other UK charities receive. Should this require any element of constitutional change we will bring to future AGM's.

GOVERNANCE AND BOARD'S RESPONSIBILITIES

The UK Section is a membership based Company Limited by Guarantee, managed by a Board of 15 individual members, 12 of whom are elected by the whole membership. The Board has the power to co-opt the remaining three places on the basis of a skills audit of the existing Board members to ensure the most appropriate skills are obtained. It has permission from the Registrar of Companies to omit 'Limited' from its title. Its Board is elected by universal franchise of its members. The Board appoints the Trustees of Amnesty International (UK Section) Charitable Trust and the Directors

of Amnesty Freestyle Limited. Individual voting membership of the UK Section stood at 146,143 at December 2011.

The Constitution of the UK Section gives the Board specific powers and responsibilities for:

- according membership to individuals, affiliates, local and student groups and, subject to procedures provided in the Constitution, removing such membership rights
- recognising Outreach Networks according to guidelines produced by the Board
- reporting to General Meetings on the work of the UK Section and presenting audited accounts and budgetary estimates
- reviewing the position and interpreting the policy of the UK Section as decided by General Meetings and arranging for the Director to implement
- appointing and dismissing the Director
- appointing the Trustees of Amnesty International (UK Section) Charitable Trust
- appointing the Directors of Amnesty Freestyle Ltd.

Certain duties and responsibilities are formally delegated to the Director by the Board; these are reviewed regularly.

The Board is conscious of its responsibilities for dealing with its members' money and adopts the highest standards of transparency and accountability in its actions and reporting. To assist it in this the Board appoints a Finance Sub-Committee, composed of both Board members and other UK Section members with appropriate skills. All members of the Board and Finance Sub-Committee give their time voluntarily and received no benefits.

Although the UK Section is not recognised in law as a Charity, the Board nevertheless has decided to adopt the Charity Statement of Recommended Practice 2005 (SORP 2005) format for these audited accounts as best meeting its obligations to members, supporters and the general public. The Board has implemented the SORP 2005 framework for the financial statements.

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the

company will continue in business.

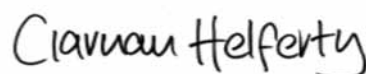
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

All of the current directors 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 directors are not aware of any relevant audit information of which the auditors are unaware.

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

19th May 2012



Ciarnan Helferty, Chair

REPORT OF THE INDEPENDENT AUDITORS OF AMNESTY INTERNATIONAL UNITED KINGDOM SECTION

To the members of Amnesty International United Kingdom Section

We have audited the financial statements of Amnesty International United Kingdom Section for the year ended 31 December 2011 which comprise the Statement of Financial Activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Don Bawtree (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Epsom

Date: 22 May 2012

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

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

for the year ended 31 December 2011

	Note	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds 9 months
		Dec-11 £000s	Dec-11 £000s	Dec-11 £000s	Dec-10 £000s
Incoming resources from generated funds					
Voluntary income					
Subscriptions and donations from members and supporters	3	9,825	-	9,825	7,433
Grants	3	-	398	398	1,889
Total voluntary income		9,825	398	10,223	9,322
Activities for generating funds	4	1,062	-	1,062	765
Income from pursuit of objectives	5	381	-	381	283
Investment and other income	6	31	-	31	39
Total incoming resources		11,299	398	11,697	10,409
Expenditure					
Cost of generating voluntary income	3	2,935	-	2,935	1,811
Activities for generating funds	4	1,607	-	1,607	614
Total cost of generating funds		4,542	-	4,542	2,425
Expenditure in pursuit of objectives					
Human rights campaigning	7	7,483	457	7,940	5,837
Research: human rights violations	7	300	-	300	-
Investment in activist recruitment	7	987	-	987	647
Total expenditure in pursuit of objectives		8,770	457	9,227	6,484
Governance costs	8	455	-	455	313
Total resources expended		13,767	457	14,224	9,222
Net (outgoing)/incoming resources		(2,468)	(59)	(2,527)	1,187
Total funds brought forward	15/16	11,779	74	11,853	10,666
Total funds carried forward	15/16	9,311	15	9,326	11,853

All amounts relate to continuing activities. There are no recognised gains or losses other than the loss for the year. The notes on pages 16 to 26 form part of these financial statements.

BALANCE SHEET

at 31 December 2011

	Note	Dec-11 £000s	Dec-11 £000s	Dec-10 £000s	Dec-10 £000s
Fixed assets					
Tangible fixed assets	12	5,586		5,863	
			5,586		5,863
Current assets					
Debtors	13	826		698	
Cash at bank and in hand		3,516		6,029	
		4,342		6,727	
Creditors: amounts falling due within one year	14	(602)		(737)	
Net current assets			3,740		5,990
Total net assets			9,326		11,853
Reserves					
Restricted	15		15		74
Unrestricted					
Undesignated	16		3,725		5,866
Designated	16		5,586		5,913
			9,326		11,853

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

19th May 2012



Brian Landers, Treasurer

The notes on pages 16 to 26 form part of these financial statements.

CASH FLOW STATEMENT

for the year ended 31 December 2011

	Note	Dec-11 £000s	Dec-11 £000s	Dec-10 £000s	Dec-10 £000s
Net cash (outflow)/inflow from operating activities	17		(2,432)		1,063
Returns on investment and servicing of finance					
Interest received	6	31		15	
Net cash inflow from return on investments and servicing of finance			31		15
Taxation					
Corporation tax paid	11		-		-
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets	12	(112)		(9)	
Net cash outflow from capital expenditure and financial investment			(112)		(9)
(Decrease)/increase in cash			(2,513)		1,069

The notes on pages 16 to 26 form part of these financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

1. AIMS AND ORGANISATION

Amnesty International United Kingdom Section 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 by the UK Section from the individual groups, and do not reflect their activities, since we are not responsible for their finances.

2. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention. The report and financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in 2005 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 UK Section's shops is accounted for when received
- 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
- grants awarded by the organisation are 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:

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

Pensions

The UK Section operates a defined contribution pension scheme. Contributions are charged to the income and expenditure account in the year to which they relate.

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 2011.

3. GENERATION OF VOLUNTARY INCOME

	Unrestricted	Restricted	Total	Total 9 mths
	Dec-11 £000s	Dec-11 £000s	Dec-11 £000s	Dec-10 £000s
Voluntary Income				
Subscriptions and donations from supporters and members	9,825	-	9,825	7,433
Grants received (see note 3.1)	-	398	398	1,889
	9,825	398	10,223	9,322
Costs of generating voluntary income				
Investment in supporter recruitment	1,480	-	1,480	971
Supporter care	597	-	597	388
General fundraising	858	-	858	452
	2,935	-	2,935	1,811
Net voluntary income generated	6,890	398	7,288	7,511

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 Board judges 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 £596k of apportioned support costs.
See note 9 – (9 months to December 2010 £389k)

3.1 ANALYSIS OF GRANTS AND RESTRICTED FUNDS RECEIVED

		£000s
Restricted grants received from Amnesty International (UK Section) Charitable Trust		
Art for Amnesty	Persula Foundation	75
Burma	Burma Radio Appeal	81
	The Co-operative Group (C W S) Ltd	25
	Anonymous	5
	Burma Campaign (Individuals)	1
	Millward and Family Charitable Trust	1
	Millhouses Charitable Trust	1
	i-D Magazine (Levelprint Ltd)	1
Dignity (Stop Violence Against Women)	CB and HH Taylor Trust	1
Human Rights Education	G & H Roberts Community Trust	1
Individuals at Risk	Balcombe Trust	20
	The Evan Cornish Foundation	5
	Anonymous	2
	The Sutasoma Trust	2
	Anonymous	1
	Anonymous	1
	The Philharmonic Trust	1
Israel OPT	Anonymous	5
	Anonymous	5
	Castleforth Charitable Trust	1
Lift-Off Project	William A Cadbury Charitable Trust	9
	Celtic Charity Fund	2
MENA	Anonymous	21
	Anonymous	10
	Anonymous	10
	SMB Charitable Trust	1
Refugees (Still Human Still Here)	Rowan Trust	50
	Diana Princess of Wales Memorial Fund	41
	City Parochial Foundation	15
Terror Security & Human Rights	Anonymous	3
Trade Union programme	Amicus Foundation	1
		398

4. ACTIVITIES FOR GENERATING FUNDS

	Income	Expenditure	Net funds generated	Income	Expenditure	Net funds generated
	Dec-11	Dec-11	Dec-11	9 mths	9 mths	9 mths
	£000s	£000s	£000s	Dec-10	Dec-10	Dec-10
				£000s	£000s	£000s
Shops	454	519	(65)	338	325	13
Sales	135	137	(2)	131	92	39
Corporate Relationships	5	1	4	5	(3)	8
Royalties	13	11	2	4	5	(1)
Community fundraising	430	156	274	261	114	147
Events	25	783	(758)	26	81	(55)
	1,062	1,607	(545)	765	614	151

Included in the costs of activities for generating funds is £325k of apportioned support costs. See note 9 (9 months to December 2010 £181k). Many events are carried out primarily to raise public awareness of the 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. Amnesty Freestyle Limited, the wholly owned subsidiary of Amnesty UK Section Limited, organised a Secret Policemans' Ball music and comedy hosted by Amnesty USA at Radio City Hall in New York on 4th March 2012. The event celebrated Amnesty's human rights work over the last fifty years with a focus on the importance of freedom of expression. As well as raising direct revenue for the organisation from the event, it will also increase Amnesty's public profile in the UK and the US, increase membership and increase future potential for major donor and individual fundraising. During 2011 Amnesty International UK Section Limited undertook to provide funding for certain preliminary expenses in the run up to the event as Amnesty Freestyle Limited had insufficient funds and would not be in receipt of the direct revenues until after the event. The directors of Amnesty UK Section Limited have also given an undertaking to the directors of Amnesty Freestyle Limited to underwrite any shortfall between the direct revenues and the cost of the event. We expect the financial outcome to be resolved by June 2012 when the revenues from a variety of commercial deals will be finalised and received. At the date of this report we cannot be certain of this potential shortfall and therefore the directors consider it prudent to make a provision for these expenses in the 2011 financial year.

5. INCOME IN PURSUIT OF OBJECTIVES

	Dec-11	9 mths
	£000s	Dec-10
		£000s
Income from human rights publications and campaigning materials	381	283

6. INVESTMENT AND OTHER INCOME

	Dec-11	9 mths
	£000s	Dec-10
		£000s
Interest receivable on bank deposits	31	15
Other income	-	24
	31	39

7. EXPENDITURE IN PURSUIT OF OBJECTIVES

	Dec-11 Unrestricted £000s	Dec-11 Restricted £000s	Dec-11 Total £000s	9 mths Dec-10 Total £000s
Human Rights Campaigning				
Production and distribution of human rights publications and campaigning materials	1,267	-	1,267	845
Human rights education	769	1	770	595
Media	688	-	688	512
Policy	588	-	588	479
Nations and regions	537	38	575	444
Individuals at risk	441	31	472	329
Refugees & asylum	170	97	267	198
Amnesty in the community	258	1	259	186
Grants to AIEU Section	245	-	245	176
Country Campaigning (including Burma)	94	208	302	165
Art for Amnesty	246	77	323	139
Stop Violence Against Women	-	-	-	135
Women's human rights	73	-	73	-
Youth activism	173	-	173	130
Dignity	216	1	217	128
Corporate social responsibility	120	-	120	104
Control arms	125	-	125	73
Lesbian, gay, bisexual, transexual	98	-	98	56
Security & human rights	62	3	65	23
Death penalty	51	-	51	21
Campaigns and activism support	1,212	-	1,212	999
Donation to charitable trust	50	-	50	100
Total human rights campaigning	7,483	457	7,940	5,837
Research into and relief of human rights violations				
Grant to Amnesty International Limited	300	-	300	-
Total research: human rights violations	300	-	300	-
Investment in activist recruitment				
Investment in activist recruitment	839	-	839	541
Support costs apportioned (see note 9)	148	-	148	106
Total investment in activist recruitment	987	-	987	647
Total expenditure in pursuit of objectives	8,770	457	9,227	6,484

Included in the cost of human rights campaigning is £2,749k of apportioned support costs. See note 9 – (9 months to December 2010 £2,046k)

Within the above expenditure the following amounts were funded by the General Campaign Support grant from Amnesty International (UK Section) Charitable Trust an affiliated organisation.

	Dec-11 Total £000s	9 mths Dec-10 Total £000s
Human rights education	-	256
Media	-	236
Nations and regions	-	214
Individuals at risk	-	212
Policy	-	205
Corporate social responsibility	-	141
Country campaigning	-	113
Youth activism	-	109
AGM	-	85
Amnesty in the community	-	76
Refugees & asylum	-	49
Dignity	-	29
LGBT	-	27
Stop Violence Against Women	-	16
	-	1,768

A full discussion of all the UK Section's activities appears in the Directors' report on pages 5 to 11. As discussed in the Director's report we did not apply for a grant from Amnesty International (UK Section) Charitable Trust during 2011.

8. GOVERNANCE COSTS

	Dec-11 £000s	9 mths Dec-10 £000s
Members' annual general meeting and national conference	220	170
International council meeting (biennial meeting of global movement)	20	2
Other direct governance costs	215	141
Total governance cost	455	313

None of the Directors received remuneration during the year. The total of expenses reimbursed to Directors was £9,506, including £3,543 paid to the Chair. All expenses related to travel, accommodation and subsistence costs incurred in relation to attendance at Board meetings, other governance meetings and Amnesty events. Our governance costs often fluctuate due to the timing of our biennial council meetings; there was one major international council meeting in the current year but none in the previous period.

Included in governance costs is £80k of apportioned support costs. See note 9 – (9 months to December 2010 £27k)

9. SUPPORT COSTS

	Dec-11 £000s	9 mths Dec-10 £000s
Staff costs (including agency costs)	1,261	836
Staff and volunteer training and welfare	308	232
Premises costs	1,126	747
Irrecoverable VAT	137	68
Depreciation	389	302
Other support costs	677	564
Total support costs	3,898	2,749

Staff costs cover employees in finance, information technology, human resources and facilities management. Included within other support costs are audit fees of £20k (December 2010: £20k)

Apportionment of support costs

	Dec-11 £000s	9 mths Dec-10 £000s
Cost of generating voluntary income	596	389
Activities for generating funds	325	181
Human rights campaigning	2,749	2,046
Investment in activist recruitment	148	106
Governance	80	27
Total support costs apportioned	3,898	2,749

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-11 £000s	9 mths Dec-10 £000s
Wages and salaries	5,521	3,771
Social security costs	603	399
Pension costs	331	221
	6,455	4,391

The 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 £000s
Cost of generating voluntary income	22	992
Activities for generating funds	10	403
Human rights campaigning	82	3,714
Support	28	1,299
Governance	2	47
Total	144	6,455

There were 227 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 144 full-time posts.

Salary band £000s	Dec-11 numbers	Dec-10 numbers
0 - 10	46	41
10 - 20	49	48
20 - 30	49	58
30 - 40	45	39
40 - 50	29	20
50 - 60	7	5
60 - 70	1	1
80 - 90	1	1
	227	213

The December 2010 numbers reflect a nine-month accounting period and we have uplifted the numbers in each salary band to allow a proper comparison with the current twelve-month period.

11. TAXATION**Taxation on profit on ordinary activities**

	Dec-11 £000s	9 mths Dec-10 £000s
Total current tax	-	-
Deferred tax		
Movement in deferred tax provision	-	-
Taxation on profit on ordinary activities	-	-

Reconciliation

	Dec-11 £000s	9 mths Dec-10 £000s
Profit on ordinary activities before tax	(2,527)	1,187
Profit on ordinary activities at the standard rate of corporation tax in the UK of 26% (prior year 28%)	(657)	332

Effects of:

Net non-taxable income	560	(387)
Depreciation on non qualifying expenditure	96	80
Capital allowances in excess of depreciation	5	4
Gift aid payment lost	13	28
Decrease in losses	(17)	(57)
Current tax charge for period	nil	nil

The year end unprovided deferred tax asset comprises

	Dec-11 £000s	Dec-10 £000s
Capital allowances	(55)	(57)
Losses	(458)	(527)
Provisions and accruals	-	(12)
	(513)	(596)

12. TANGIBLE FIXED ASSETS

	Leasehold land and buildings £000s	Plant & Machinery £000s	Computer equipment/ infrastructure £000s	Office Equipment £000s	Leasehold Improvements £000s	Total £000s
Cost						
at 1 January 2011	4,730	1,691	760	699	18	7,898
Additions	-	-	62	50	-	112
Disposals	(93)	-	-	-	-	(93)
at 31 December 2011	4,637	1,691	822	749	18	7,917
Depreciation						
at 1 January 2011	643	498	501	382	11	2,035
Charge for the year	93	85	127	82	2	389
On disposals	(93)	-	-	-	-	(93)
at 31 December 2011	643	583	628	464	13	2,331
Net book value						
at 31 December 2011	3,994	1,108	194	285	5	5,586
at 31 December 2010	4,087	1,193	259	317	7	5,863

13. DEBTORS

	Dec-11 £000s	Dec-10 £000s
Amounts owed by related entities	110	69
Trade debtors	86	113
Other debtors, prepayments, accrued income	430	417
Value Added Tax recoverable	200	99
	826	698

All amounts are due within 12 months.

14. CREDITORS

Amounts falling due within one year

	Dec-11 £000s	Dec-10 £000s
Trade creditors	164	359
Accruals and deferred income	175	151
Payroll taxes and other creditors	263	227
	602	737

15. RESTRICTED FUNDS

	Total £000s
At 1 January 2011	74
Income (see note 3.1)	398
Expenditure (see note 7)	(457)
At 31 December 2011	15
Represented by:	
Refugees – Still Human Still Here	15
Cash at bank	15

16. UNRESTRICTED FUNDS

	Fixed Asset reserve £000s	Crisis Response £000s	Total Designated Funds £000s	Total Undesignated Funds £000s	Total Unrestricted Funds £000s
At 1 January 2011	-	50	50	11,729	11,779
Utilised during year	-	(75)	(75)	(2,393)	(2,468)
Movement between reserves	5,586	25	5,611	(5,611)	-
At 31 December 2011	5,586	-	5,586	3,725	9,311
Represented by:					
Fixed Assets	5,586	-	5,586	-	5,586
Cash at bank	-	-	-	3,501	3,501
Other net current assets	-	-	-	224	224
	5,586	-	5,586	3,725	9,311

Crisis Response

We spent £75k on Crisis Response work during the year. In future we will fund this work directly from our campaign and campaign contingency budgets in the relevant year.

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.

The reserve was created during 2011 and the comparative figure for the period to December 2010 has been amended accordingly on the balance sheet.

17. NOTES TO CASH FLOW STATEMENT**17.1 Reconciliation of net (outgoing)/incoming resources to net cash (outflow)/inflow from operating activities**

	Dec-11 £000s	9 mths Dec-10 £000s
(Outgoing)/incoming resources	(2,527)	1,187
Depreciation	389	302
Loss on disposal of fixed assets	-	5
Interest received	(31)	(15)
Increase in debtors	(128)	(117)
Decrease in creditors	(135)	(299)
Net cash (outflow)/inflow from operating activities	(2,432)	1,063

17.2 Reconciliation of net cash to movement in net funds

	Dec-11 £000s	Dec-10 £000s
(Decrease)/increase in cash	(2,513)	1,069
Opening net funds	6,029	4,960
Closing net funds	3,516	6,029

17.3 Analysis of net funds

	At 1 Jan 2011 £000s	Cash flows £000s	At 31 Dec 2011 £000s
Cash in hand and at bank	6,029	(2,513)	3,516
	6,029	(2,513)	3,516

18. RELATED PARTY TRANSACTIONS

The related entities of Amnesty International United Kingdom Section are Amnesty International (UK Section) Charitable Trust ("UK Trust") and Amnesty Freestyle Limited.

Related entity balances

At 31 December the balance Amnesty International United Kingdom Section was owed from related entities was as follows:

	Dec-11 £000s	Dec-10 £000s
Amnesty International (UK Section) Charitable Trust	110	69

Related entity transactions

	Dec-11 £000s	9 mths Dec-10 £000s
Restricted grants from the UK Trust for expenditure in pursuit of objectives	398	121
Donations made under Gift Aid to the UK Trust	(50)	(100)
General grants from the UK Trust to support campaigning costs	-	1,768
Charges made to the UK Trust for staff costs	1,439	919
Charges made by the UK Trust under the terms of a lease for the occupancy of the human rights action centre	(245)	(184)
Charges made to the UK Trust under the terms of a licence to use the human rights action centre	45	34
Charges made to the UK Trust for the Amnesty magazine	128	83

19. COMMITMENTS UNDER OPERATING LEASES

Operating leases which expire

	Dec-11 £000s	Dec-10 £000s
Within one year	45	43
In two to five years	141	107
In more than five years	245	245
	431	395

Analysed between

Hire of plant and machinery	38	29
Other operating leases	393	366
	431	395

Included in the leases expiring in more than five years is a 35-year lease from a related entity, Amnesty International (UK Section) Charitable Trust, to occupy the Human Rights Action Centre at an annual rent of £245,000.

