



Amnesty International
(UK Section)
Charitable Trust

**TRUSTEES'
REPORT AND
FINANCIAL
STATEMENTS**

for the nine-month period
ended 31 December 2010

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(UK Section)
Charitable Trust

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(UK Section) Charitable Trust
Year end: 31 December 2010**

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TRUSTEES' REPORT AND FINANCIAL STATEMENTS

for the nine-month period ended 31 December 2010

Full name and registered address of the charity

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

Status of the charity

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

Charity registration number – England & Wales

1051681

Charity registration number – Scotland

SC039534

Company registration number

03139939

Company secretary and charity correspondent

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

Trustees

David Norgrove	chair	
Tom Hedley		
Caroline Fisher (aka Pepper Harow)		
Stuart Hathaway	re-elected	14 May 2010
Angela Crack	appointed	14 May 2010
Chris Usher	retired	11 April 2010
Brian Landers	appointed	18 Sep 2010
Glyn Isherwood	retired	04 Dec 2010
Grainne Walsh	retired	04 Dec 2010

Chief executive and senior staff

Kate Allen	chief executive
Tim Hancock	director of campaigns
Martin Tyler	director of corporate services
Kerry Moscogiuri	director of marketing

Bankers

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

External auditors

BDO LLP
East Street
Epsom KT17 1HS

Internal auditors

Sayer Vincent
8 Angel Gate
City Road
London EC1V 2SJ

Solicitors

Bates, Wells & Braithwaite
138 Cheapside
London EC2V 6BB

TRUSTEES' REPORT

Objectives and activities

1. KEY OBJECTIVES AND STATEMENT OF BENEFITS

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

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

2. KEY ACTIVITIES

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

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

Achievements and performance – research on human rights violations

The Trustees continued to part-fund research projects being undertaken by the worldwide Amnesty International movement. The areas covered included combating discrimination, justice and impunity, physical and mental integrity, people in armed conflict, rights of uprooted people, domestic and sexual violence suffered by women and girls, and support for economic, social and cultural rights.

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

In line with its wider objects the Trustees also fund charitable activity carried out by the UK Section. During the year we part-funded a range of projects. These included:

HUMAN RIGHTS EDUCATION

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

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

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

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

INDIVIDUALS AT RISK OF HUMAN RIGHTS ABUSE

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

REFUGEES AND ASYLUM

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

DIGNITY

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

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

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

STOP VIOLENCE AGAINST WOMEN (SVAW)

In the UK the campaign ran from 2003 to 2010 and set out to challenge the attitudes that tolerate and normalise violence against women. Some women who come to the UK are placed at a double disadvantage if they find themselves the victim of a violent or abusive relationship. Their limited

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

Further details on these, and other areas of our work, is available on the web on:

www.amnesty.org.uk

RECRUITING AND RETAINING AMNESTY SUPPORTERS

The target for the Trust for the nine-month period to December 2010 was to recruit 22,379 new supporters and to maintain a retention rate for committed giving supporters of 77 per cent.

The number actually recruited was below target at 7,228. Our current retention rate is currently above previous forecasts at 82.35 per cent. The overall number of supporters rose to 49,193 (March 2010: 47,661)

In 2011 we plan to recruit 32,000 new supporters and maintain a retention rate for committed giving supporters of 77 per cent.

Financial review

REVIEW OF THE YEAR

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

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

Our income has held up well in the face of the ongoing economic downturn. Income from our existing supporters was ahead of expectations, as was income from major donors; we are very grateful for their support. Our gift aid income was higher than expected and we undertook a thorough program of scanning our gift aid declaration forms to ensure we had a 100% compliance with legal requirements. Some income lines were below what we had hoped for including our supporter appeal mailings and

income from new supporters.

Charitable expenditure in the nine-month period was, pro rata, broadly in line with the prior accounting period.

The Trustees support the desire of the worldwide Amnesty movement to increase the amount of human rights work that is undertaken in the global south and east; in particular in the African continent and countries like India and Brazil. Although the number of Trust supporters increased during the year, it is still significantly lower than the number of supporters we had in March 2007. We need to reverse the decline in supporter numbers if we want to sustain increased funding of projects in both existing and new areas of the world.

We had planned to invest a large amount of our reserves in building up our supporter base but it became obvious quite early in the nine-month period that we would find it difficult to make the investment in recruitment that we had planned. The economy continued to stagnate and some of the recruitment agencies that we hoped to use ceased operations; others consolidated or reduced in size. Because of the way agency contracts are structured we pay only for the number of supporters recruited. This resulted in an underspend of almost £1 million against budget for this activity and accounts for the majority of the surplus reserves we held at the year-end.

Our strategy remains one of growth and for 2011 we plan to allocate significant financial resources to increase our supporter base. If we are able to successfully make our planned investment in supporter recruitment over the next twelve months it will utilise all of our surplus reserves. Increased supporter recruitment is one way to help us achieve our financial plans, but in 2011 we will also need to review other ways in which we can achieve a step change in our fundraising.

FINANCIAL INDEPENDENCE

Amnesty International is independent of any government, political ideology, economic interest or religion. We do not support or oppose any government or political system, nor do we necessarily support the views of the victims whose rights we seek to protect. To ensure our independence, we do not seek or accept money from governments or political parties. In no way do monies received from corporate donors influence our promotion of human rights and research into human rights abuses.

CORPORATE RELATIONS

The Trustees are very aware that the Trust's ability to raise money in the name of Amnesty International heavily depends on Amnesty's reputation for independence, both from influence from funders and in its choice of campaigning priorities. For some time the international movement has been considering Amnesty's relationships with the corporate sector and concerns over how such relationships might be viewed in the context of protecting Amnesty's reputation in its campaigning work in the field of business and human rights.

In November 2007 Amnesty International's Executive Committee finalised its policy on this subject. Following this the Board of the UK Section agreed procedures to

implement this policy and to measure, approve, and monitor relationships with the corporate sector.

The Trustees decided to adopt the same policy and procedures as the UK Section and have asked the Board of UK Section to act as its agent in this regard. In the interest of transparency and accountability, the international policy is published on the UK Section's website and the guidelines are available to members upon request.

In 2008 we implemented new procedures to ensure corporate gifts of money and gifts in kind are recorded and ethically checked before the donation is accepted.

Statement on risk and reserves

1. OVERVIEW

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

2. MAJOR RISKS AND UNCERTAINTIES

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

i) Regulatory compliance

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

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

ii) Political attack

It is possible that the Amnesty International movement could become subject to a political attack which then impacted on the Trust. This could include an attack driven by a particular political motive or media agenda. The Trustees consider that an attack on any part of the global Amnesty movement could have major implications for the ability of the Trust to maintain existing supporters, recruit new supporters or raise funds from other external sources.

It is recognised that this is a risk that is not easy to control and may arise as a reaction to a decision taken by another Amnesty Section or the worldwide movement.

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

- build and strengthen Amnesty as a democratic

movement, that also engages effectively with the general public in the UK

- be open and transparent
- be independent of, but develop constructive relationships with a broad range of political parties
- develop relationships with and earn the respect of the media.

iii) Supporter retention

Regular donations, and related gift aid, from individual supporters currently makes up just over 77 per cent of the Trust's total voluntary income. The Trustees are aware of the need to continually recruit new supporters to replace those who cease to make donations. Strategies to manage the effects of this risk are:

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

3. SYSTEMS AND PROCEDURES TO MANAGE OTHER RISKS

Our risk register is very detailed. A summary of the main strategies to deal with other risks include:

- formal procedures governing the delegation of specific authority to the Director and to the Finance Sub-Committee
- consideration of all financial issues by the Finance Sub-Committee and subsequent feedback to the Trustees
- input into Trustee meetings from members of the organisation's senior management team who consider day-to-day risk at their regular meetings
- segregation of duties among members of staff as far as possible
- formal limits to staff members' ability to authorise expenditure
- the establishment of an internal audit programme.

4. RESERVES POLICY

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

As at 31 December 2010 the unrestricted free reserves stood at £2.6 million. Included in the above is legacy income of £0.4 million which had not been received at the year-end. The target free reserves are calculated on the basis of the financial impact and probability of the significant risks identified in the risk assessment, and amount to £1.5 million.

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

SURPLUS OF RESERVES ABOVE REQUIREMENT

The surplus of free reserves above target at 31 December 2010 stood at £1.1 million.

As discussed in our financial review, our planned supporter recruitment programs over the next twelve months should

utilise all of these surplus reserves.

Treasury policy

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

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

Structure, governance and management

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

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

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

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

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

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

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

Amnesty International (UK Section) Charitable 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 Charities Commission makes it clear that charities are allowed to carry out political activities in support of charitable purposes.

The 2006 AGM passed a motion to enable the UK Section to obtain charitable status if their Board was satisfied that all requirements had been met. However detailed discussions with the Charity Commission to progress this matter identified that there were still many uncertainties as to whether the Charity Commission would view all of the UK Section's activities as being charitable or not. As a result their Board is no longer looking to pursue the registration of the UK Section as a registered charity. However the Boards are reviewing the structure of both 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.

GOVERNANCE AND MANAGEMENT

Amnesty International (UK Section) Charitable Trust is a Company Limited by Guarantee and is controlled by its Trustees (who are the Directors and Members). The Trustees are appointed by the Board of the UK Section; some of the Trustees are normally serving members of their Board. Trustees are appointed for a three-year term, and under the Articles of Association can serve for a maximum of two consecutive terms. They are then eligible for re-appointment after a gap of one year. The Trustees meet at least three times each year.

The Trustees are generally very familiar with human rights and the work of Amnesty International. Induction training is provided for new Trustees, and the Trustees regularly receive training and presentations from experts on their roles and responsibilities.

The Trustees have delegated oversight of the business and financial affairs of the Trust to a Finance Sub-Committee, which comprises some Trustees, Board and ordinary members of the UK Section, and which also acts as the Finance Sub-Committee of the UK Section. Day to day operations are carried out by staff of the UK Section and an appropriate portion of their salary costs is borne by the Charity. All the Trustees and members of the Finance Sub-Committee give their time voluntarily and received no benefits.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The Trustees are also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern

basis unless it is inappropriate to presume that the charity will continue in business.

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

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

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

Auditors

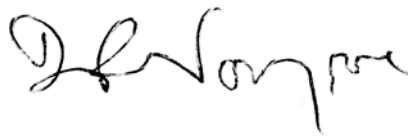
All of the current Trustees have taken all of the steps that they ought to have taken to make themselves aware of any information needed by the charity's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Trustees are not aware of any relevant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

Thank You

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

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

31 March 2011



David Norgrove, Chair of Trustees

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

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

We have audited the financial statements of Amnesty International (UK Section) Charitable Trust for the nine-month period ended 31 December 2010 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's trustees and members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees and members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006, and give a true and fair view. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate and proper accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

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

BASIS OF AUDIT OPINION

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

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

OPINION

In our opinion

- the financial statements give a true and fair view of the state of the charity's affairs as at 31 December 2010 and of its incoming resources and application of resources, including its income and expenditure, for the nine-month period then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been properly prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the Trustees Annual Report is consistent with the financial statements.

BDO 118

**Don Bawtree, Senior Statutory Auditor
for and on behalf of BDO LLP, Statutory Auditor
BDO LLP is eligible to act as an auditor in terms of
section 1212 of the Companies Act 2006
Epsom
United Kingdom**

Date: 8 April 2011

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

STATEMENT OF FINANCIAL ACTIVITIES

for the nine-month period ended 31 December 2010

	Note	Unrestricted Funds 9 mths Dec-10 £000s	Restricted Funds 9 mths Dec-10 £000s	Endowment Fund 9 mths Dec-10 £000s	Total 9 mths Dec-10 £000s	Total Mar-10 £000s
Incoming resources from generated funds						
Voluntary income						
Donations from individual supporters	3	4,956	86		5,042	6,207
Legacies	3	1,553	-		1,553	2,571
Gift Aid	3	1,169	-		1,169	1,441
Grants	4	-	278		278	205
Total voluntary income		7,678	364		8,042	10,424
Activities for generating funds	5	1,347	-		1,347	1,660
Investment and other income	6	177	-		177	273
Total incoming resources		9,202	364	-	9,566	12,357
Expenditure on charitable purposes						
Cost of generating voluntary income	3	1,422	5		1,427	2,103
Activities for generating funds	5	515	-		515	605
Total cost of generating funds		1,937	5		1,942	2,708
Expenditure in pursuit of objectives						
Promotion of human rights	7	2,412	121		2,533	2,923
Research: human rights violations	7	5,119	-		5,119	6,790
Investment in activist recruitment	7	581	-		581	824
Total expenditure on charitable purposes		8,112	121		8,233	10,537
Governance costs	9	22	-		22	21
Total resources expended		10,071	126	-	10,197	13,266
Net (outgoing)/incoming resources before revaluations		(869)	238	-	(631)	(909)
Unrealised loss on revaluation of investment asset	14	-	-	(4)	(4)	(12)
Net movement on funds		(869)	238	(4)	(635)	(921)
Total funds brought forward		5,050	53	224	5,327	6,248
Total funds carried forward		4,181	291	220	4,692	5,327

All amounts relate to continuing activities. The notes on pages 15 to 23 form part of these financial statements.


BALANCE SHEET

at 31 December 2010

	Note	Dec-10 £000s	Dec-10 £000s	Mar-10 £000s	Mar-10 £000s
Fixed assets					
Tangible fixed assets	13	4,906		4,930	
Investments	14	<u>220</u>		<u>224</u>	
			5,126		5,154
Current assets					
Debtors	15	1,531		885	
Cash at bank and in hand		<u>1,988</u>		<u>3,271</u>	
		3,519		4,156	
Creditors: amounts falling due within one year	16	<u>(399)</u>		<u>(264)</u>	
Net current assets			3,120		3,892
Creditors: amounts falling due after more than one year	17		(3,554)		(3,719)
Total net assets			<u>4,692</u>		<u>5,327</u>
Funds					
Unrestricted					
Undesignated	18		4,181		5,050
Restricted	18		291		53
Endowment	18		220		224
			<u>4,692</u>		<u>5,327</u>

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

31 March 2011



David Norgrove, Chair



Brian Landers, Treasurer

The notes on pages 15 to 23 form part of these financial statements.

CASH FLOW STATEMENT

for the nine-month period ended 31 December 2010

	Note	9 mths Dec-10 £000s	9 mths Dec-10 £000s	Mar-10 £000s	Mar-10 £000s
Net cash outflow from operating activities	19		(990)		(1,339)
Returns on investment and servicing of finance					
Interest received	6	21		66	
Interest paid	10	(149)		(234)	
Net cash outflow from return on investments and servicing of finance			(128)		(168)
Financing					
Decrease in long term debt			(165)		(94)
Decrease in cash	19		(1,283)		(1,601)

The notes on pages 15 to 23 form part of these financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the nine-month period ended 31 December 2010

1. ACCOUNTING POLICIES

Basis of accounting

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

Income and expenditure

- income from appeals and charitable donations is accounted for when received
- tax recoverable on Gift Aid income within this is accounted for on a receivable basis
- interest income is accounted for on an accruals basis
- legacy income is accounted for on an accruals basis to the extent that the amounts are certain to be received and are capable of accurate financial measurement
- grant income is recognised when the conditions for receipt have been complied with
- expenditure is charged to the Statement of Financial Activities on an accruals basis
- expenditure with the main purpose of attracting new committed supporters is allocated between campaigning expenditure and the cost of generating voluntary income
- where other expenditure relates to more than one classification within the Statement of Financial Activities, it is attributed on the basis of staff time spent on the relevant activity
- grant expenditure in furtherance of the charity's objects is recognised as expenditure when confirmation of an award is made to the receiving organisation
- governance costs include those incurred in governance of its assets and are primarily associated with constitutional and statutory requirements
- irrecoverable VAT is treated in the same way as support costs and apportioned across the organisation's activities.

Fixed assets – freehold land and buildings

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

Pensions

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

Investments

Investments are included at market value at the year-end. Gains and losses on revaluation of investments are included in the Statement of Financial Activities.

Indemnity insurance

Amnesty International (UK Section) Charitable Trust has arranged Directors and Officers Liability Insurance at an annual premium of £2k (March 2010 – £2k).

Funds

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

2. TAXATION

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

3. GENERATION OF VOLUNTARY INCOME

	Unrestricted 9 mths Dec-10 £000s	Restricted 9 mths Dec-10 £000s	Total 9 mths Dec-10 £000s	Total Mar-10 £000s
Voluntary Income				
Donations from individual supporters	4,956	86	5,042	6,207
Legacies	1,553	-	1,553	2,571
Gift Aid	1,169	-	1,169	1,441
Grants received (see note 4)	-	278	278	205
	7,678	364	8,042	10,424
Costs of generating voluntary income				
Investment in supporter recruitment	872	5	877	1,237
Supporter care	150	-	150	198
General fundraising	367	-	367	558
Gift Aid	-	-	-	17
Legacies	33	-	33	93
	1,422	5	1,427	2,103
Net voluntary income generated	6,256	359	6,615	8,321

At 31 December 2010, in addition to legacy income that has been included in the accounts, the Trust expects to benefit from a number of legacies from estates for which the administration had yet to be finalised.

Included in the cost of generating voluntary income is £270k of apportioned support costs. See note 8 (March 2010 £365k)

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

This investment in recruiting new supporters not only results in future income streams but also increases the number of human rights activists campaigning on behalf of Amnesty International giving a direct boost to its campaigning effectiveness. In addition, campaigning influence is strengthened significantly by the resulting increase in supporter numbers - the more we speak for, the more we are heard. Much of the extra impact on campaigning effectiveness and activism manifests in a related entity, Amnesty International United Kingdom Section.

It is difficult to quantify the relative benefits accruing to income growth and to campaigning effectiveness from this expenditure; the Trustees judge that 40 per cent of this expenditure is treated as campaigning and 60 per cent is included above as a cost of generating income.

4. GRANTS RECEIVED

		£000s
Donations:		
From individual members and supporters	Burma Radio Appeal	53
From major donors	Burma Radio Appeal	33
		<u>86</u>
Diana Princess of Wales Memorial Fund	Refugees (Still human still here)	63
Rowan Charitable Trust	Refugees (Still human still here)	50
JP Getty Junior Charitable Fund	Refugees (Still human still here)	30
Persula Foundation	Art for Amnesty	25
The Co-operative Group (CWS) Ltd	Burma	25
Tolkien Trust	Stop violence against women	20
Balcombe Trust	Individuals at risk	20
Department of Education Northern Ireland - DENI	Lift off project	18
City Parochial - London Trust	Refugees (Still human still here)	10
William A Cadbury Charitable Trust	Lift off project	9
Henry C Hoare Charitable Trust	Burma	1
CB & HH Taylor Trust	Stop violence against women	1
Amicus Foundation	Trade union programme	1
City of London Solicitors Charitable Fund	Individuals at risk	1
Millward & Family Charitable Trust	Burma	1
Millhouses Charitable Trust	Burma	1
Castleforth Charitable Trust	Israel	1
Eva Reckitt Trust Fund	Individuals at risk	1
		<u>278</u>

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

5. ACTIVITIES FOR GENERATING FUNDS

	Income	Expenditure	Net funds generated	Income	Expenditure	Net funds generated
	9 mths Dec-10	9 mths Dec-10	9 mths Dec-10	Mar-10	Mar-10	Mar-10
	£000s	£000s	£000s	£000s	£000s	£000s
Corporate relationships	270	13	257	322	40	282
Community fundraising	272	149	123	333	198	135
Appeals	443	212	231	695	265	430
Raffles	362	141	221	310	102	208
	<u>1,347</u>	<u>515</u>	<u>832</u>	<u>1,660</u>	<u>605</u>	<u>1,055</u>

Included in the costs of activities for generating funds is £60k of apportioned support costs. See note 8 - (March 2010 £94k)

All income from activities for generating funds was unrestricted funds.

6. INVESTMENT AND OTHER INCOME

	9 mths Dec-10 £000s	Mar-10 £000s
Interest receivable on bank deposits	21	66
Rental income	150	200
Other income	6	7
Total investment and other income	<u>177</u>	<u>273</u>

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

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	9 mths Dec-10 £000s	Mar-10 £000s
Unrestricted grants to Amnesty International UK Section to support human rights campaigns		
Human Rights Education	256	227
Media	236	233
Nations and Regions	214	211
Individuals at Risk	212	256
Policy	205	229
Corporate Social Responsibility	141	193
Country Campaigning	113	30
Youth Activism	109	170
AGM	85	92
Amnesty in the community	76	115
Refugees & Asylum	49	69
Dignity	29	27
LGBT	27	-
Stop Violence Against Women	16	62
Total unrestricted grants to Amnesty International UK Section to support human rights campaigns	1,768	1,914
Restricted grants to Amnesty International UK Section to support human rights campaigns		
Diana Princess of Wales Memorial Fund	45	22
JP Getty Junior Charitable Fund	30	-
Tolkien Trust	20	16
Department of Education Northern Ireland - DENI	18	10
City Parochial - London Trust	5	-
Henry C Hoare Charitable Trust	1	-
Eva Reckitt Trust Fund	1	-
City of London Solicitors Charitable Fund	1	-
City Bridge Trust	-	32
A&N Ferguson Trust	-	20
Balcombe Trust	-	20
Anonymous Grants	-	17
Evan Cornish Foundation	-	5
Celtic Charity fund	-	5
TUUT Charitable Trust	-	3
G H Roberts Community Trust	-	1
Roger Vere Foundation	-	1
Total restricted grants to Amnesty International UK Section to support human rights campaigns	121	152
Production and distribution of human rights publications	402	532
Support costs apportioned (see note 8)	242	325
Total expenditure on promotion of human rights	2,533	2,923
Research into and relief of human rights violations		
Grant to Amnesty International Charity Limited	5,119	6,790
Total research into and relief of human rights violations	5,119	6,790
Investment in activist recruitment		
Investment in activist recruitment	528	765
Support costs apportioned (see note 8)	53	59
Investment in activist recruitment	581	824
Total expenditure on charitable activities	8,233	10,537

8. SUPPORT COSTS

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

	9 mths Dec-10 £000s	Mar-10 £000s
Staff costs	198	257
Irrecoverable Value Added Tax	211	266
Interest payable (see note 10)	149	234
Depreciation	24	32
Other support costs	46	57
Total support costs	628	846

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

	9 mths Dec-10 £000s	Mar-10 £000s
Cost of generating voluntary income	270	365
Activities for generating funds	60	94
Human rights campaigning	242	325
Investment in activist recruitment	53	59
Governance	3	3
Total support costs apportioned	628	846

9. GOVERNANCE COSTS

	9 mths Dec-10 £000s	Mar-10 £000s
Audit fee	15	14
Other direct governance costs	7	7
Total governance costs	22	21

Included in governance costs is £3k of apportioned support costs. See note 8 - (March 2010 £3k)

10. INTEREST PAYABLE

	9 mths Dec-10 £000s	Mar-10 £000s
Interest payable on mortgage loan	149	234
	149	234

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

11. STAFF COSTS

There were 124 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 30 full-time posts.

	Full-time staff numbers	Cost £000s
Generating voluntary income	13	362
Activities for generating funds	2	73
Promotion of human rights	9	281
Support	6	202
Total	30	918

Salary band £000s	9 mths Dec-10 numbers	Mar-10 numbers
0 - 10	88	81
10 - 20	26	26
20 - 30	6	9
30 - 40	3	4
40 - 50	-	-
50 - 60	1	1
	124	121

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

12. DIRECTORS' REMUNERATION

The charity is a company limited by guarantee, so the Directors are also Trustees.

No Trustee received emoluments during the year (March 2010: £nil).

Out of pocket travel expenses were reimbursed to no Trustees. (2010 no Trustees)

13. TANGIBLE FIXED ASSETS

	Land and buildings £000s
Cost at 1 April 2010 and at 31 December 2010	5,094
Depreciation at 1 April 2010	164
Charge of the year	24
Depreciation at 31 December 2010	188
Net book value at 31 December 2010	4,906
Net book value at 31 March 2010	4,930

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

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

Amnesty International United Kingdom Section has granted a licence allowing Amnesty International (UK Section) Charitable Trust to use the building for its own activities.

The cost of the asset shown above includes the purchase price and associated expenses together with capitalised costs incurred in beginning the refurbishment works before the tenant took over the responsibility for the works.

The cost of the land included above is £3.5 million.

14. LISTED INVESTMENTS

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

By a declaration of Trust dated September 1999, the Trust was made the beneficiary of a gift from David T K Wong of US \$350k United States Federal Government Zero Coupon Bonds maturing in November 2011 and November 2015. These bonds were valued at £220k at the balance sheet date. After maturity of the bonds, the Trustees are obliged to maintain the capital grant in perpetuity and apply the income of the fund in furtherance of the Trust's charitable objectives.

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

15. DEBTORS

	Dec-10 £000s	Mar-10 £000s
Tax recoverable on Gift Aid	1,165	252
Accrued legacy income	360	528
Other accrued income	-	10
Other debtors and prepayments	6	95
	1,531	885

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

	Dec-10 £000s	Mar-10 £000s
Trade creditors	268	82
Amounts due to related entities	69	103
Accrued charges and deferred income	62	79
	399	264

17. CREDITORS**Amounts falling due after more than one year**

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

The loan was for an initial term of 10 years, with repayments scheduled over 20 years, until 1 November 2025. The interest rate on the loan was fixed at 6.1875% until October 2010. We have refixed our rate at 4.875% from November 2010 to November 2015 in relation to £2.6 million of the outstanding debt. Interest on the balance of the loan is charged at a variable interest rate, currently 1.75%. The loan is secured on the freehold of the Human Rights Action Centre (see note 13).

18. FUNDS

	General fund £000s	Restricted fund £000s	Endowment fund £000s	Total £000s
At 1 April 2010	5,050	53	224	5,327
Total incoming resources	9,202	364	-	9,566
Total resources expended	(10,071)	(126)	-	(10,197)
Unrealised investment losses	-	-	(4)	(4)
At 31 December 2010	4,181	291	220	4,692

Represented by

Land and buildings	4,906	-	-	4,906
Investments	-	-	220	220
Net current assets	2,829	291	-	3,120
Long term liabilities	(3,554)	-	-	(3,554)
	4,181	291	220	4,692

18.1 ANALYSIS OF RESTRICTED FUNDS

Burma Radio Appeal	108
Refugees (Still human still here)	101
Art for Amnesty	50
Individuals at risk	20
Lift off project	9
Stop violence against women	1
Trade union programme	1
Israel	1
	291

The general fund represents the funds that the Trustees are free to use in accordance with the charitable objects. The restricted fund represents grants received for restricted purposes. Further details can be found in notes 4 and 7. The endowment fund represents a listed investment stated at market value which must be held until the maturity dates in November 2011 and November 2015 (see note 14).

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

	9 mths Dec-10 £000s	Mar-10 £000s
Net outgoing resources before revaluations	(631)	(909)
Depreciation charged	24	32
Interest received	(21)	(66)
Interest paid	149	234
(Increase)/decrease in debtors	(646)	431
Increase/(decrease) in creditors	135	(1,061)
Net cash outflow from operating activities	(990)	(1,339)

Reconciliation of net cash flow to movement in net debt

	9 mths Dec-10 £000s	Mar-10 £000s
Decrease in cash	(1,283)	(1,601)
Cash inflow from changes in net debt	165	94
Movement in net cash	(1,118)	(1,507)
Opening net (debt)/cash	(448)	1,059
Closing net debt	(1,566)	(448)

Analysis of net debt

	At 1 April 2010 £000s	Cash flows £000s	At 31 Dec 2010 £000s
Cash at bank and in hand	3,271	(1,283)	1,988
Debt due after one year	(3,719)	165	(3,554)
Total	(448)	(1,118)	(1,566)

20. RELATED ENTITY BALANCES AND TRANSACTIONS

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

Related entity balances

At 31 December 2010 Amnesty International (UK Section) Charitable Trust had the following balances with related entities:

	Dec-10 £000s	Mar-10 £000s
Due to Amnesty International United Kingdom Section	69	103

Related Entity transactions

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

	9 mths Dec-10 £000s	Mar-10 £000s
Restricted grants made to the UK Section for furtherance of charitable objectives	(121)	(152)
Donations received under Gift Aid from the UK Section	100	200
Unrestricted grant to the UK Section to support specific human rights work	(1,768)	(1,914)
Charges made by the UK Section for staff costs	(918)	(1,283)
Charges made to the UK Section under the terms of a lease for the occupancy of the Human Rights Action Centre	184	245
Charges made by the UK Section under the terms of a licence to use the Human Rights Action Centre	(34)	(45)
Payments made to the UK Section for Amnesty magazine	(83)	(125)

