

# **Amnesty International Charity Limited**

*(a company limited by guarantee)*

## **Report and financial statements for the year ended 31 March 2010**

*Company No: 2007475*

*Charity No: 294230*

*AI Index: FIN 40/013/2010*

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## Legal and Administrative details

<b>Directors (and Trustees):</b>	Ms Alexandra Marks (Chairperson) Mr Melvin Coleman (appointed 21 December 2009) Mr Andrew Dick (appointed 21 December 2009) Mr Frans van Dijk
<b>Company Secretary:</b>	Mr George Macfarlane
<b>Address and Registered Office:</b>	1 Easton Street London WC1X 0DW
<b>Company Registration Number:</b>	2007475
<b>Charity Registration Number:</b>	294230
<b>Date of incorporation:</b>	7 April 1986
<b>Constitution:</b>	Company limited by guarantee, with memorandum and articles of association.
<b>Solicitors:</b>	Bates Wells and Braithwaite 2-6 Cannon Street London EC4M 6YH
<b>Bankers:</b>	HSBC Bank plc 74 Goswell Road London EC1V 7DA
<b>Auditors:</b>	Crowe Clark Whitehill LLP (previously called Horwath Clark Whitehill LLP) St Bride's House 10 Salisbury Square London EC4Y 8EH

## **Report of the Trustees for the year ended 31 March 2010**

The Trustees, who are also the Directors of the Charity, present their annual report on the affairs of the Charity, together with the financial statements and auditors' report for the year ended 31 March 2010.

### **1. Aims and activities**

Amnesty International Charity Limited ("the Charity") is a registered charity. It was incorporated on 7 April 1986 to undertake those aspects of the work of the Amnesty International, International Secretariat which are charitable under the law of England and Wales.

The governing documents of the Charity are its Memorandum and Articles of Association.

Its charitable objects are:

- To promote research into the maintenance and observance of human rights and to publish the results of such research.
- To provide relief to needy victims of breaches of human rights by appropriate charitable (and in particular medical, rehabilitation or financial) assistance.
- To procure the abolition of torture, extrajudicial execution and disappearance.

The Charity largely commissions Amnesty International Limited to undertake charitable activities of the kind described above on its behalf.

Subsequent to the year end on 15 May 2010, and with immediate effect, the governing documents of the Charity were amended by special resolution. The amendments included changes to the Charity's objects, more closely to mirror the Charity Commission for England & Wales's model objects for human rights charities. The amendments had been first approved in draft by the Charity Commission on 28 April 2010.

The new objects are as follows:

"Having regard to the Statute for the time being of Amnesty International, the objects for which the Charity is established are to promote human rights (as set out in the Universal Declaration of Human Rights and subsequent United Nations conventions and declarations) throughout the world by all or any of the following means:

1. Monitoring abuses of human rights;
2. Obtaining redress for the victims of human rights abuse;
3. Relieving need among the victims of human rights abuse (and in particular medical, rehabilitational or financial assistance);
4. Research into human rights issues;
5. Providing technical advice to government and others on human rights matters;
6. Contributing to the sound administration of human rights law;
7. Commenting on proposed human rights legislation;

8. Raising awareness of human rights issues;
9. Promoting public support for human rights;
10. Promoting respect for human rights among individuals and corporations;
11. International advocacy of human rights;
12. Eliminating infringements of human rights, including without limitation procuring the abolition of torture, extrajudicial execution and disappearance.”

## **2. Public Benefit**

In setting the Charity’s objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission’s general guidance on public benefit. The Trustees always ensure that the activities undertaken by the Charity are in line with its charitable objects and aims.

In its guidance on the promotion of human rights, the Charity Commission of England and Wales has recognised that there is ‘an obvious public benefit in promoting human rights’, both for those individuals whose rights are secured and for the whole community more generally. This guidance directly applies to the objects and activities of the Charity.

## **3. Relationship between Amnesty International, Amnesty International Charity Limited and Amnesty International Limited**

Amnesty International (AI) is an unincorporated, international movement, which has as its objective the securing of the observance of the provisions of the Universal Declaration of Human Rights and other human rights instruments throughout the world. The AI movement consists of national sections in different countries throughout the world, overseas offices that it controls as branches undertaking specific functions and an International Secretariat whose main office is in London. Delegates of the national sections meet periodically at International Council Meetings to co-ordinate their activities and to elect an International Executive Committee to implement the Council's decisions and appoint a Secretary General. The International Secretariat is responsible through the Secretary General to the International Executive Committee.

The work of the International Secretariat is undertaken primarily by Amnesty International Limited (including activities not deemed to be charitable in England and Wales) and the Charity, Amnesty International Charity Limited, (wholly charitable activities).

The Charity commissions Amnesty International Limited (“AIL”) to carry out charitable activities on its behalf under the terms of the memorandum of agreement first signed in June 1992 and signed each year thereafter. The Charity reimburses AIL for carrying out such commissioned work as the Trustees of the Charity determine.

## **4. Connected charities**

In addition to the relationship with Amnesty International Limited described above, the Charity has agreements with the following organisations to carry out charitable work on their behalf and receives grants from them for that purpose.

Amnesty International UK Section Charitable Trust  
The Human Rights Action Centre

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17-25 New Inn Yard  
London EC2A 3EA

Amnesty International Canadian Section (English Speaking)  
312 Laurier Avenue East  
Ottawa  
Ontario K1N 1H9  
Canada

Amnistie internationale, section canadienne francophone  
6250 boulevard Monk  
Montreal  
Quebec H4E 3H7  
Canada

The two Canadian organisations together form the Canadian Section of Amnesty International.

### **5. Governance**

The Charity is a company limited by guarantee and does not have share capital. The guarantors are the members of Amnesty International's International Executive Committee (IEC).

The IEC is an elected body which normally consists of 9 individuals. The members of the IEC are elected by the representatives of the country sections of Amnesty International for a two year term at biennial International Council Meetings.

The Trustees, who are also Directors of the Charity, are appointed by the IEC.

New Trustees are invited to attend a one-day induction course.

### **6. Management**

The Trustees have responsibility for the oversight of the Charity. They have commissioned AIL to carry out charitable work on its behalf.

The activities of AIL are managed by the Secretary General, Salil Shetty, supported by a senior management team of 7 people and approximately 500 staff based in a number of International Secretariat offices around the world .

### **7. Principal Risks and Uncertainties**

The management of activities and the execution of the Charity's strategy are subject to a number of risks.

Risks are formally reviewed by the Board of Trustees and appropriate processes put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Charity.

The key risks affecting the Charity are set out below:

### **Reputational risk**

Amongst other areas of risk that may be referred to below, unauthorised use of the name, logo and trademark of Amnesty International could seriously impact the Charity's reputation. The Trustees are aware of a project initiated by AIL to protect the name, logo and trademark by coordinating and centralizing their registration.

### **Libel risk**

There exists the risk of libel or defamation action being taken against the Charity arising from publication of certain content (including Amnesty owned or branded websites). During the current financial year AIL has appointed a legal counsel to provide advice and legal support on possible defamation issues for the Charity.

### **Financial risks**

The Trustees believe that the Charity does not have any significant exposure to price, credit, liquidity or cash flow financial risks as:

- The Charity does not trade
- The Charity's principal financial assets are cash at bank and investments
- To maintain liquidity to ensure that sufficient unrestricted funds are available for ongoing and future activities, the Charity regularly reviews the programme of AIL commissioned research projects and the value of contributions payable to AIL
- The Charity's exposure to risk of changes in foreign currency exchange rates arising from the receipt of assessment contributions in Canadian Dollars is considered insignificant (see Note 3)
- The Charity has appointed Amnesty International's Finance and Audit Committee to act as its expert audit committee

## **8. Activities during the year**

In a short report of this nature it is not possible to detail in its entirety the volume and variety of charitable initiatives undertaken around the world by the Charity working through Amnesty International Limited (AIL) during the period 1 April 2009 to 31 March 2010. However, this report provides a brief overview of the Charity's work in the last twelve months while more detailed information on the work of Amnesty International is available in the Amnesty International Report 2010, for the twelve months to 31 December 2009, from AI Sections and on the website: [www.amnesty.org](http://www.amnesty.org).

The ability of the Charity to achieve its objectives is dependent upon AI being granted access to relevant countries and territories while ensuring the security of AI staff, consultants, volunteers and local partners undertaking its charitable aims.

### **Key Global Themes**

Research on human rights issues was funded and undertaken in a number of countries and summaries of this work can be found on the internet at

www.amnesty.org under the 2010 AI Annual Report entries. However, globally key themes were monitored and reported on including:

- **Building mutual respect and combating discrimination by** creating greater awareness of the intersection of different forms of discrimination. This included research into specific and grave patterns of ethnic, racial and religious discrimination and into laws which criminalise the exercise of sexual and reproductive rights.
- **Demanding justice to combat impunity by** supporting the effective operation of the International Criminal Court and national courts systems in keeping with fair trial standards. AI monitored justice in post conflict situations and worked to ensure barriers to accountability in national justice systems were lifted. AI researched and monitored compliance with International institutions on corporate accountability and states accountability for abuses by non-state actors.
- **Upholding the physical and mental integrity of all people by** researching counter terrorism practices to work against the erosion of international human rights standards and ensure safeguards against torture and disappearances were not dismantled. AI continued to work for the release of prisoners of conscience.
- **Defending the rights of people in armed conflict by** investigating impunity for abuses committed by states and armed groups, continuing to call for the non-involvement of children in armed conflict and ensuring human rights are central in conflict prevention and resolution initiatives. AI worked for the development and adoption of standards and legislation on arms transfer and complicity of economic actors being held to account for human rights abuses.
- **Protecting and promoting the rights of human rights and uprooted people by** opposing the forced repatriation of asylum seekers and calling for access to fair and effective procedures. AI challenged the practice of arbitrary detention of refugees, asylum seekers and migrants and continued to call for the effective protection of refugees and internally displaced persons and ensure access for the protection of victims of trafficking. AI worked to influence public opinion in support of refugees, migrants and internally displaced people.
- **Championing the rights of women and girls by** exposing laws and state policies which encourage violence against women or restrict women's access to employment or education. AI continued to work for effective release through criminal justice systems and oppose impunity for rape and other forms of sexual violence.
- **Advancing economic, social and cultural rights by** working to ensure that greater reference is made by UN bodies and other International Governmental Organizations to existing ESCR legislation and protocols and researching specific patterns of Economic, Social and Cultural violations linked to poverty, disease and discrimination.

### **Relief Work**

The Charity has traditionally provided financial relief to victims and their dependants. It seeks to ensure that the resources for this area of charitable work are used as fairly and effectively as possible.

The Charity is not primarily a relief organisation; the resources it has for this kind of work are limited. For the most part it gives relief assistance only to prisoners of conscience (POCs) or victims of other serious human rights violations who have not used or advocated violence; it provides assistance only for the needs which are directly related to the human rights violations which people have suffered, and it does not fund human rights organisations or opposition groups. The relief expenditure is part of

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the work commissioned from AIL and includes providing financial help for basic requirements to individual cases of current and former POCs, people who have fled their own country to escape being subjected to torture, “disappearance” or extrajudicial execution and medical help to people suffering ill-health or injury as a result of torture.

In the year, no expenditure was incurred on relief work as reported in note 4 to the attached accounts as no such work was commissioned from AIL.

### **Abolition of torture, extrajudicial execution and disappearance**

The Charity campaigns to hold governments accountable for their actions and to uphold international law and the absolute prohibition of torture, extrajudicial execution and disappearance under any circumstances.

## **9. Plans for future periods**

The Amnesty International Operational Plan for the next two years 2010 to 2012 was approved by the International Executive Committee (IEC) in March 2010. This provides for the work of the International Secretariat (IS) including that of the Charity which will continue to fund a proportion of the charitable objectives that arise.

In the area of growth, AI will maintain its focus on the innovative projects that began in the last plan period, ensuring that it do not lose momentum while the growth strategy is developed. At the request of the IEC, and in order to maintain AI presence in the Global South and East where it may otherwise be at risk, the IS will invest greater resources into managing AI sections or structures that are not functioning to the required standards due to suspensions, internal conflicts or other organizational challenges.

The previously seen increase in work against the death penalty will be maintained, working on regional priorities as well as the UN.

Significantly greater investment is envisaged by Amnesty International in Brazil, Russia, India, China and South Africa (BRICS).

## **10. Restricted Grant Income**

The Charity received a grant of £688,000 (being part of a four year award) from the UK Department for International Development (Governance and Transparency funds) during the year. This grant is considered restricted as it may only be used by the Charity in support of its human rights education work in Africa. The Charity works with partner Amnesty International organisations in Africa and during the year expenditure by those organisations of £525,000 was reimbursed

## **11. Financial review**

The results for the Charity show net outgoing resources of £595,000 (2009: net outgoing resources of £398,000).

The principal sources of funding for the Charity are contributions received from Sections and

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donations received from Amnesty International Limited.

Incoming resources have increased in total from £20,290,000 in 2008/2009 to £21,306,000 in 2009/10 mainly due to the increase in contributions from Amnesty International UK Section Charitable Trust of £842,000 and the increase in contributions from Amnesty International Canadian Section of £409,000.

Total resources expended have increased from £20,688,000 in 2008/2009 to £21,901,000 in 2009/2010 mainly attributable to the increase in cost of activities in furtherance of the Charity's objectives of £1,445,000.

The Charity has net current assets of £1,953,000 as at 31 March 2010 (2009: £2,548,000). The Charity has unrestricted funds totalling £1,800,000 at the balance sheet date (2009: £2,402,000).

Net cash inflow from operating activities for 2010 was £518,000 (2009: net cash outflow £2,426,000) mainly due to the decrease in debtors of £880,000 (2009: increase in debtors of £1,007,000 and increase in creditors of £242,000 (2009: decrease in creditors of £938,000)). The Charity has net funds of £2,075,000 as at 31 March 2010 (2009: £1,548,000).

### **Reserves policy**

As the Charity's activities are largely carried out on its behalf by AIL under the terms of an agreement between them and AIL waives the right to charge for most of the services it provides, the Charity has no requirement for significant reserves.

At the year-end the unrestricted funds approximate to two months of planned expenditure which the Trustees consider to be a reasonable level.

### **Investment policy**

In the situation where it has significant funds the Charity aims to invest such funds in a prudent and ethical manner to enable funding of future activities. During the financial year, any cash not immediately required for operational work, was placed in money market deposit accounts.

## **12. Trustees**

The Trustees of the Charity at 31 March 2010 and in the year were as follows:

Ms Alexandra Marks	(Chairperson)
Mr Melvin Coleman	(appointed 21 December 2009)
Mr Andrew Dick	(appointed 21 December 2009)
Mr Frans van Dijk	

## **13. Company Secretary**

George Macfarlane served as Company Secretary throughout the year.

## **14. Auditors**

As far as each of the trustees of the Charity at the date of approval of this report is aware, there is no relevant audit information (information needed by the Charity's auditor in connection with preparing the audit report) of which the Charity's auditor is unaware. Each trustee has taken all of the steps that

he/she should have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

On 1 October 2010, Horwath Clark Whitehill LLP changed its name to Crowe Clark Whitehill LLP. Crowe Clark Whitehill LLP has indicated its willingness to be reappointed as statutory auditor."

## **15. Statement of Trustees' responsibilities**

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

Charity law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its net incoming/outgoing resources 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 to operate.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on Amnesty International's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

BY ORDER OF THE BOARD

Alexandra Marks  
Director

12 December 2010  
1 Easton Street  
London  
WC1X 0DW

# **Amnesty International Charity Limited**

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## **Independent Auditor's Report to the Members of Amnesty International Charity Limited**

We have audited the financial statements of Amnesty International Charity Limited for the year ended 31 March 2010 set out pages 12 to 24. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable 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 charitable 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 charitable 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 trustees and auditor**

The trustees' (who are also the directors of Amnesty International Charity Limited for the purpose 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 (United Kingdom and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you if in our opinion the information given in the Report of the Trustees is consistent with the financial statements.

In addition, we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charity's financial statements are not in agreement with those 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 Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to other information.

### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (United Kingdom 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 judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company'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

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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 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Report of the Trustees is consistent with the financial statements.

Pesh Framjee  
Senior Statutory Auditor  
For and on behalf of  
**Crowe Clark Whitehill LLP**  
Statutory Auditor  
London

Date 14 December 2010

## Statement of Financial Activities (Incorporating an Income and Expenditure Account) For the year ended 31 March 2010

	Notes	Unrestricted	Restricted	Total	Total
		Funds	Funds	Funds	Funds
		2010	2010	2010	2009
		£'000	£'000	£'000	£'000
<b>Incoming resources from generated funds</b>					
Voluntary income	3	20,602	695	21,297	20,207
Investment income		9	-	9	83

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<b>Total incoming resources</b>		<b>20,611</b>	<b>695</b>	<b>21,306</b>	<b>20,290</b>
<b>Resources expended</b>					
Charitable activities	4	20,773	688	21,461	20,016
Governance costs	4	440		440	672
<b>Total resources expended</b>	<b>4</b>	<b>21,213</b>	<b>688</b>	<b>21,901</b>	<b>20,688</b>
<b>Net (outgoing)/incoming resources</b>		<b>(602)</b>	<b>7</b>	<b>(595)</b>	<b>(398)</b>
Fund balances brought forward at 1 April 2009		2,402	146	2,548	2,946
<b>Fund balances carried forward at 31 March 2010</b>		<b>1,800</b>	<b>153</b>	<b>1,953</b>	<b>2,548</b>

All amounts relate to continuing activities.

There is no difference between the net incoming resources for the financial year ended 31 March 2010 and the financial year ended 31 March 2009 stated above and their historical cost equivalents.

There are no recognised gains and losses in either year other than the net (outgoing)/incoming resources for that year and therefore no separate statement of total recognised gains and losses has been presented.

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

## Balance Sheet As at 31 March 2010

	Notes	2010 £'000	2009 £'000
<b>Current assets</b>			
Debtors	10	133	1,013
Investments	11	2,055	1,103
Cash at bank and in hand		20	445
		<b>2,208</b>	<b>2,561</b>
<b>Creditors: amounts falling due within one year</b>	12	(255)	(13)
<b>Net current assets, total assets less liabilities and net assets</b>		<b>1,953</b>	<b>2,548</b>
<b>Funds</b>			
Unrestricted funds	15	1,800	2,402
Restricted funds	13,15	153	146
<b>Total Funds</b>		<b>1,953</b>	<b>2,548</b>

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Approved by the board of directors on 12 December 2010 and signed on its behalf by:

Alexandra Marks  
Chairperson

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

## Cash Flow Statement For the year ended 31 March 2010

	Notes	2010 £'000	2009 £'000
<b>Reconciliation of net incoming resources to net cash inflow from operating activities</b>			
<b>Net (outgoing)/ incoming resources</b>		(595)	(398)
Interest receivable		(9)	(83)
(Increase)/decrease in debtors		880	(1,007)
(Decrease)/increase in creditors		242	(938)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>518</b>	<b>(2,426)</b>
<b>Cash flow statement</b>			
<b>Net cash (outflow)/inflow from operating activities</b>		<b>518</b>	<b>(2,426)</b>
<b>Returns on investment and servicing of finance</b>			
Interest received		9	83
<b>Management of liquid resources</b>			
Sale/(purchase) of short term investments		(952)	1,654
<b>Net cash (outflow)/inflow</b>	14	<b>(425)</b>	<b>(689)</b>

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

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## **Notes to the financial statements for the year ended 31 March 2010**

### **1 Basis of Accounting**

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006, applicable Accounting Standards in the United Kingdom and the Statement of Recommended Practice – “Accounting and Reporting by Charities” (SORP) revised in March 2005.

After making enquires, the Trustees have reasonable expectation that the charitable company has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Report of the Trustees.

#### **Scope**

These financial statements only reflect the activities of Amnesty International Charity Limited. They do not include the activities of AIL, or of the Sections of the Amnesty International movement, as these are all separate legal entities that are neither owned nor controlled by the Charity.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

### **2 Accounting Policies**

#### **Incoming resources**

Income is accounted for on an accruals basis in the period in which the charity is entitled to income where the amount can be measured with reasonable certainty.

#### ***Legacies***

Legacies are recognised when receipt is reasonably certain and the amount is quantifiable.

#### ***Donated services***

Donated services from AIL are included in both incoming resources and resources expended at their fair value to the Charity as estimated by the Trustees.

#### ***Grant income***

Where the entitlement to project or grant income is performance related the income is recognised when the conditions for entitlement have been fulfilled.

#### ***Contributions from Sections***

The Canadian and UK Sections of Amnesty International agree to contribute a share of their income towards the funding of the Charity. This share of income is calculated by the Charity in the year following its receipt by the Canadian and UK Sections. The share of income payable to the Charity by the Sections is based on their previous years' income.

## **2 Accounting Policies (continued)**

The determination of the share is based on a scale of contribution rates (in £ sterling) set at the International Council Meeting (ICM) of Amnesty International. This requires Section income, declared each year in local currency, to be converted into sterling.

Each Section's agreed contribution for a year is fixed in their local currencies and is payable quarterly in advance. The income received by the Charity may therefore differ from the sterling amount calculated at the contribution rate. These differences result in gains and losses from foreign exchange rate movements which are taken to the Statement of Financial Activities.

From time to time, the Sections make contributions in advance of the due date as the cash flow of the Section permits. Such contributions are treated by the Charity as deferred income and are included in the balance sheet as a liability until released to the Statement of Financial Activities as income in the year to which they relate.

### **Investments**

Investments which relate to money market deposits are carried at cost.

### **Fund accounting**

The Charity maintains the following types of fund:

- Restricted – where the donor has specified that the donation be used for a particular purpose.
- Unrestricted – for use by the directors to further the Charity's objects.

### **Resources expended**

Resources expended are accounted for on an accruals basis and are recognised in the period in which they relate, and include attributable VAT which cannot be recovered. Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Charity to the expenditure.

Resources expended are classified over the activity headings shown below. Where expenditure cannot be directly attributed to particular headings (support costs) it is allocated based upon AIL's expenditure in each category for the year ended 31 March 2010 as a proportion of AIL's total resources expended.

**Charitable activities** comprise:

- **Research** which represents the costs incurred in conducting research to highlight grave violations of human rights.
- **Relief work** which represents costs incurred in providing relief assistance to prisoners of conscience or victims of other serious human rights violations who have not used or advocated violence

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- **Abolition of torture, extrajudicial execution and disappearance** which represents costs incurred in campaigning to hold governments accountable for their actions and to uphold international law and the absolute prohibition of torture, extrajudicial execution and disappearance under any circumstances.

## **2 Accounting Policies (continued)**

**Governance costs** represent costs that relate to the general running of the Charity as opposed to the direct management functions inherent in the activities of the Charity. They provide the governance infrastructure which allows the Charity to operate and to generate the information required for public accountability and include the strategic planning processes that contribute to the future development of the Charity.

### **Grants**

Grants made to Amnesty International for work completed on behalf of the Charity which includes grants to partner organisations in relation to the grant received from DFID, are accounted for on an accruals basis and are recognised in the period to which they relate.

### **Irrecoverable VAT**

Irrecoverable VAT is included in the costs recharged by AIL where it is incurred.

### **Foreign currency**

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the rate of exchange ruling at the date of the transaction.

Foreign exchange gains and losses arise mainly on the conversion and translation of income received and held in Amnesty International bank accounts. As such the net gain or loss is included within incoming resources in the Statement of Financial Activities.

### **Segmental analysis**

The Trustees are of the opinion that the Charity has only one class of business namely securing the observance of the provisions of the Universal Declaration of Human Rights and other human rights instruments throughout the world. Further the Trustees are of the opinion that the Charity generates incoming resources from one geographical market which comprises the United Kingdom and Canada.

### **Liquid resources**

Liquid resources comprise cash held in call deposit accounts.

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## 3 Voluntary Income

	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	2010	2010	2010	2009
	£'000	£'000	£'000	£'000
Contributions from Sections	8,698	7	8,705	7,313
Donations and bequests	217	-	217	1,216
Government grant funding	-	688	688	158
Donation from Amnesty International Limited (note 7)	11,636	-	11,636	11,403
Grant under Gift Aid from Amnesty International Limited	51	-	51	117
<b>Total voluntary income</b>	<b>20,602</b>	<b>695</b>	<b>21,297</b>	<b>20,207</b>

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## 4 Resources Expended

	Grant costs	Direct costs	Support costs	Total Funds	Total Funds
	2010	2010	2010	2010	2009
	£'000	£'000	£'000	£'000	£'000
Research into human rights violations	10,179	4,061	6,425	20,665	19,159
Relief work	-	-	-	-	-
Abolition of torture, extrajudicial execution and disappearance	-	796	-	796	857
<b>Total charitable activities</b>	<b>10,179</b>	<b>4,857</b>	<b>6,425</b>	<b>21,461</b>	<b>20,016</b>
Governance	-	213	227	440	672
<b>Total resources expended</b>	<b>10,179</b>	<b>5,070</b>	<b>6,652</b>	<b>21,901</b>	<b>20,688</b>

Support costs include premises, communication, information technology and other general running and management costs of the Charity. The support costs are allocated to the other categories based upon AIL's expenditure in each category for the year ended 31 March 2010 as a proportion of AIL's total resources expended.

Governance costs consist of the costs of the operation of the International Executive Committee along with its support staff and International Committees, the Accountability Control Committee, the International Council Meeting, audit fees, operational audit costs and a share of the support costs.

Auditors' remuneration is borne by AIL and is not directly recharged to the Charity. The audit fee for the Charity is £13,000 + VAT (2009: £12,400).

Total resources expended include attributable VAT which cannot be recovered amounting to £89,000.

As indicated in the report of the directors, the Charity's activities are mostly undertaken on its behalf by AIL and are then either charged or gifted to the Charity. The Charity contributes towards these costs, to such extent as its directors may determine in accordance with the agreement first signed in June 1992, and receives the benefit of the balance of these costs, free of charge, as a donation. Other than the payments to AIL for carrying out charitable activities on behalf of the Charity, the only expenses which the Charity was required to meet directly during the year were rates for premises occupied and bank charges. The Charity absorbs 80% of the cost of property rates of the Amnesty International, International Secretariat in Easton Street, London.

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### 5 Support costs

	2010 Charitable activities	2010 Governance	2010 Total	2009 Total
	£'000	£'000	£'000	£'000
Salaries and employment benefits	2,841	159	3,000	2,838
Occupancy costs	234	5	239	233
Professional fees	731	14	745	944
Publication costs	15	0	15	17
Information technology costs	219	4	223	211
Administration costs	1,039	19	1,058	1,266
Depreciation	568	11	579	620
Insurance	248	5	253	127
Other costs	530	10	540	132
	<b>6,425</b>	<b>227</b>	<b>6,652</b>	<b>6,388</b>

### 6 Grants

The Charity granted funds to Amnesty International Limited (AIL) in the year for work performed by AIL on behalf of the Charity. This total figure granted was £10,179,000 and included the funds referred to below relating to the amounts expended from the grant received from the Department for International Development (DFID) grant.

The grant received from DFID is used by the Charity in support of its human rights education work in Africa. The Charity works with partner organisations reimbursing them for reported expenditure on a quarterly basis. Additionally, costs incurred in the running of the Amnesty office in Dakar are met from the grant. The grant from DFID also makes provision for costs incurred by the Charity in the monitoring and evaluation of the grant.

In addition to the monitoring and evaluation costs during the year the following expenditure was reimbursed directly to partner organisations and met by the Grant in respect of expenses incurred at the Dakar office.

	£'000
WILDAF Benin	52
AI Burkina-Faso	52
AI Cote d'Ivoire	53
Maata-N-Tudu Association Ghana	74
Legal Resources Foundation Kenya	41
AI Mali	49
AI Senegal	45
AI Sierra Leone	59
AI Togo	55
EHAHRDP Uganda	45

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Dakar office	148
	<hr/>
	<b>673</b>
	<hr/> <hr/>

### 6 Grants - continued

The grant from DFID is part of a four-year award commencing in 2008 totalling £3,149,000. Future expenditure commitments to the partner organisations over the balance of the grant period total £1,621,000.

### 7 Donation from Amnesty International Limited

AIL incurred £11,636,000 (2009: £11,403,000) of costs for work done on behalf of the Charity for which it was not reimbursed and is therefore gifted to the Charity (see Note 3).

Services provided were incurred on the following activities, 61.5% of the total being payroll related expenses.

	<b>£'000</b>
Research	5,458
Campaigns & Actions	2,120
Membership Programs	1,141
Communications & Publications	2,483
Governance	213
Fund-Raising	221
<b>Total Expenses</b>	<hr/> <b>11,636</b> <hr/> <hr/>

### 8 Employees and Directors

The Charity had no employees during the year (2009: Nil). All salaries and related costs are charged or donated to the Charity by the employer, AIL. In the current financial year, employee costs borne by AIL on behalf of the Charity totalled £13,305,000 (2009: £12,423,000).

The directors of the Charity did not receive any remuneration during the year (2009: £Nil) from the Charity for their services as directors and Trustees of the Charity.

The directors did not receive any reimbursement of expenses during the year. (2009: £Nil)

### 9 Taxation

As a registered charity, the Charity will not be chargeable to corporation tax on its income or profits on the basis that they are applied for wholly charitable purposes. The charitable status of the Charity has been confirmed by the Charity Commission and HM Revenue & Customs. In the light of the provisions in the Income and Corporation Taxes Act 1988, no tax liability arises.

### 10 Debtors

2010	2009
£'000	£'000

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Prepayments and accrued income	<u>133</u>	<u>1,013</u>
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## 11 Investments

Investments comprise money market deposits.

	2010	2009
	£'000	£'000
Carrying value at beginning of year	1,103	2,757
Additions to investment at cost	952	-
Disposal of investments at cost	-	(1,654)
Carrying value at end of year	<u>2,055</u>	<u>1,103</u>

## 12 Creditors

Creditors solely comprise deferred income, which relates to advance payment of agreed Section contributions. Movements in the year are as follows:

	2010	2009
	£'000	£'000
Deferred income balance at 1 April	13	951
Income received	8,780	6,349
Income released to Statement of Financial Activities	(8,538)	(7,287)
Deferred income balance at 31 March	<u>255</u>	<u>13</u>

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### 13 Restricted funds

	01-Apr-09	Income	Expenditure	31-Mar-10
	£'000	£'000	£'000	£'000
AI UK	126	-	-	126
Department for International Development (DFID)	-	688	688	-
Relief Fund	20	-	-	20
AI Canada	-	7	-	7
	<u>146</u>	<u>695</u>	<u>688</u>	<u>153</u>

#### AI UK

The Charity received funds from AI UK Section in previous years to fund the Charity's economic and social relations project.

### 13 Restricted funds - continued

#### DFID

The Charity received a grant of £688,000 (being part of a four year award) from the Department for International Development (DFID) during the year. This grant is considered restricted as it may only be used by the Charity in support of its human rights education work in Africa.

#### Relief Fund

The Charity receives sums of money which are given for the purposes of providing relief and which are credited to restricted funds. The Charity is responsible for the administration and disbursement of these funds on behalf of the world-wide movement. Funds not yet applied to relief are held in separate bank accounts and are included as a component of restricted funds. Relief Funds are considered to be restricted as the Charity is required by the donors to apply these funds solely for relief purposes. No grants for relief purposes were made by the Charity to AIL during the year.

#### AI Canada

The Charity received funds from AI Canada during the year for work associated with the Dignity campaign.

### 14 Cash flow information

#### Reconciliation of net cash flow to movement in net funds

	2010	2009
	£'000	£'000
(Decrease)/increase in cash in the period	(425)	(689)
Cash (outflow)/inflow from increase/(decrease) in liquid resources	952	(1,654)
	<u>527</u>	<u>(2,343)</u>
<b>Movement in net funds resulting from cash flows</b>	<b>527</b>	<b>(2,343)</b>
Net funds at 1 April 2009	<u>1,548</u>	<u>3,891</u>
<b>Net funds at 31 March 2010</b>	<b><u>2,075</u></b>	<b><u>1,548</u></b>

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## Analysis of net funds

	1 April 2009 £'000	Cash Flow £'000	31 March 2010 £'000
Cash at bank and in hand	445	(425)	20
Liquid resources	<u>1,103</u>	<u>952</u>	<u>2,055</u>
	<u><b>1,548</b></u>	<u><b>527</b></u>	<u><b>2,075</b></u>

Liquid resources comprise short-term deposits with banks which mature within 12 months of the date of inception.

## 15 Analysis of Net Assets between Funds

	Unrestricted Fund £'000	Restricted Fund £'000	Total 31 March 2010 £'000
<b>Current assets</b>			
Debtors	133	-	133
Short term investments	1,902	153	2,055
Cash at bank and in hand	<u>20</u>	<u>-</u>	<u>20</u>
	2,055	153	2,208
<b>Creditors:</b> amounts falling due within one year	<u>(255)</u>	<u>-</u>	<u>(255)</u>
<b>Net current assets and net assets</b>	<u><b>1,800</b></u>	<u><b>153</b></u>	<u><b>1,953</b></u>
<b>Total Funds as at 31 March 2010</b>	<u><b>1,800</b></u>	<u><b>153</b></u>	<u><b>1,953</b></u>

## 16 Related Party Transactions

As described in the report of the directors, the Charity is funded by Amnesty International Limited, Amnesty International UK Section Charitable Trust, Amnesty International Canadian Section (English Speaking) and Amnistie internationale, Section Canadienne Francophone. The amounts involved are disclosed in notes 3 and 13. As at 31 March 2010, £114,000 was due to the Charity (2009: nil).

As detailed in notes 4 and 5, the Charity's activities are mostly undertaken on its behalf by AIL and are then either charged or gifted to the Charity. As at 31 March 2010, prepaid grants to AIL totalled £Nil (2009:£918,000).