

Amnesty International Limited

(a company limited by guarantee)

Report and financial statements for the year ended 31 December 2014

Company No: 1606776

Amnesty International Limited *(a company limited by guarantee)*

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Legal and Administrative details

Directors:	Vincent Adzahlie-Mensah Rune Arctander Sarah Beamish Nicole Bieske Sandra Lutchman Paul Divakar Namala Guadalupe Rivas Bernard Sintobin Julio Torales
Company Secretary:	Nick Williams
Secretary General	Salil Shetty
Address and Registered Office:	1 Easton Street London WC1X 0DW
Company Registration Number:	1606776
Date of incorporation:	6 January 1982
Constitution:	Company limited by guarantee, with memorandum and articles of association.
Solicitors:	Blake Laphorn LLP Seacourt Tower West Way Oxford OX2 0FB
Bankers:	HSBC Bank plc 74 Goswell Road London EC1V 7DA
Auditors:	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH

Report of the Directors for the year ended 31 December 2014

The directors present their report on the affairs of the Group, which includes the Strategic report, together with the financial statements and auditors' report for the year ended 31 December 2014. The Group consists of Amnesty International Limited and its subsidiaries ("Amnesty"), details of which are provided in note 1 to the financial statements. Operationally, the Group is referred to as Amnesty International International Secretariat ("the IS").

1. Strategic Report

1.1 Aims

Amnesty International's vision is of a world in which every person enjoys all of the human rights enshrined in the Universal Declaration of Human Rights and other international human rights standards. In pursuit of this vision, **Amnesty International's mission** is to undertake research and action focused on preventing and ending grave abuses of these rights.

Amnesty International's core values are of an organisation that forms a global community of human rights defenders based on the principles of international solidarity, effective action for the individual victim, global coverage, the universality and indivisibility of human rights, impartiality and independence, and democracy and mutual respect.

Amnesty International's methods are to address governments, intergovernmental organizations, armed political groups, companies and other non-state actors. Amnesty International seeks to expose human rights abuses accurately, quickly and persistently.

It systematically and impartially researches the facts of individual cases and patterns of human rights abuses. These findings are publicized, and members, supporters and staff mobilize public pressure on governments and others to stop the abuses. In addition to its work on specific abuses of human rights, Amnesty International urges all governments and all relevant powers to observe the rule of law, and to ratify and implement human rights standards; it carries out a wide range of human rights educational activities; and it encourages intergovernmental organizations, individuals, and all organs of society to support and respect human rights.

1.2 Achievements and Performance

In a short report of this nature it is not possible to detail the full range of achievements in a complex variety of initiatives implemented around the world during the year. This report therefore provides a brief overview. More detailed information on the work of Amnesty International during the year is available on the website: www.amnesty.org.

The ability of the Group to achieve its objectives is dependent upon many factors, including Amnesty being granted access to relevant countries and territories while ensuring the security of Amnesty staff, consultants, volunteers and local partners undertaking its charitable aims. This at times limits our ability to take forward planned pieces of work. Achievements are also often dependent on action being taken by other players, particularly governments, which are beyond our control.

2014 was the first year of a two year operational plan – the last operational plan under our Integrated Strategic Plan. Broad strategic directions therefore remained similar, with the following twelve areas of focus:

- Making Corporate Actors Accountable
- Ending the Use of the Death Penalty
- Campaign for International Justice
- People on the Move
- Discrimination
- Sexual, Reproductive and Maternal Health Rights

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- Addressing Human Rights Violations in Slums
- Stop Torture
- Promoting Freedom of Expression, Assembly and Association
- Ending Abuses in Areas of Armed Conflict and Crisis
- Ending abuses in the Criminal Justice System
- Regulation of the Trade in Arms

There are multiple projects under each of these thematic areas, which may be implemented in one country, regionally or with a global scope. During 2014 there was a particular focus on two new global campaigns, one aimed at Stopping Torture and other focused on sexual and reproductive rights and called My Body My Rights.

Each project has objectives and a theory of change agreed at the start of the project, which is reviewed and adapted as necessary. This reflection and reporting process that occurs every six months is an important way for us to track progress towards our objectives. The impact assessment framework we use in this monitoring and evaluation is called the Dimensions of Change – a tool that we have developed to track the impact that we have in multiple dimensions (change in people's lives, change in law and policy, change in practice and accountability and change in engagement of civil society, media and others). Articulating the different dimensions of change is helpful in work such as ours where the ultimate aims of changing people's lives is often very long-term and complex, and so it is important to track interim steps where progress is made towards these aims.

Some examples of achievements during 2014 are shared below. Please note, however, that this is of course not an exhaustive list and is simply some indicative examples, which range in scope from the global and far-reaching, to regional, national and local achievements, right down to those that directly affect an individual. It should also be noted that we work in close partnership with the individuals and communities involved, and other organisations so achievements are often due to the contributions of many actors.

- The global Arms Trade Treaty which was adopted in 2013 came into force in 2014 - Amnesty has been advocating for this for decades.
- In Paraguay, a law was passed that will allow the indigenous Sawhowamaxa people full rights over their land - a key aim of our advocacy.
- Release of prisoners of conscience, including Ales Bialiatski who was released after three years in jail and noted that international solidarity including Amnesty's ongoing support had made the difference
- Successes in the case against Shell regarding the Bodo oil spills in the Niger Delta (with compensation finally paid by Shell in early 2015).
- A historic judgement by the European Court of Human Rights on the Polish Government's complicity in extraordinary rendition – our campaigning and legal submissions have been calling for greater transparency and accountability on this issue.
- Innovative use of technology to better protect human rights defenders with the launch of a Panic Button app.
- Progress in our efforts in The Gambia, where during 2014 the Government finally invited the Special Rapporteur for Torture to visit, as well as releasing some journalists detained.
- In March 2014 the UN Human Rights Council agreed to an international inquiry into alleged war crimes in Sri Lanka – something we have been calling for since 2009.
- Following a concerted Amnesty campaign, two men in Zambia were acquitted of charges of unnatural sexual conduct.

In addition to our research, campaigning and advocacy work, which has led to achievements such as the very small selection shared above, there have also been internal organisational achievements. We continued to roll out the Global Transition Programme during 2014, the objective of which is to develop a new global, distributed but integrated way of working with a much stronger presence in the global South. The project aims are to enable Amnesty International to improve the speed and effectiveness of responses to human rights violations, enhance local relevance and build support in emerging economies. During 2014, our new offices in Johannesburg, Nairobi and Hong Kong which were established in 2013 were strengthened with staffing at near full capacity, along with set up of a

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new office in Dakar and Mexico City. Preparation was also completed for establishment of further offices in 2015.

1.3 Plans for future periods

Our core human rights work will continue during 2015, as agreed under the Operational Plan for 2014-15. This includes the second half of our two global campaigns on *Stop Torture* and *My Body, My Rights*. We will also continue implementing the Global Transition Programme as mentioned above.

Also during 2015 we will be consulting on our next strategy for the organisation to 2020. This will be agreed by our members in August at our International Council Meeting. The strategy will guide the direction of the work of the Group from 2016 onwards, with more details to be determined during 2015.

1.4 Principal risks and uncertainties

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

The Group risk register is reviewed by the Senior Leadership Team and the Finance and Audit Committee on a quarterly basis and annually by the International Board. Risks are captured following an internal process to identify the highest risks facing the organisation in terms of operations, finance, reputation, legal issues, security, and governance and leadership. The directors ensure that mitigation procedures are developed for each risk, responsibilities for both implementation of these procedures and review of the risk are assigned and the status of both is monitored on a timely basis.

Key risk areas in 2014 included the following:

Resourcing risk arising from the Global Transition Programme

The ongoing changes to the organisational structure of the Group detailed in the strategic report, involving the opening of regional offices, constitute a significant change to the Group's current operating model. During the establishment of the regional offices, there is a risk that the Group fails to attract, develop and retain suitably qualified and motivated staff, potentially resulting in loss of impact, reduced reactive work and a negative impact on long term strategic planning.

Staff security

Failure to ensure security of staff or others we have responsibility for, may result in traumatic incident, kidnap or staff injury. This may lead to financial claims, criminal liabilities and reputational issues impacting negatively on the name of the organisation and our ability to operate in some countries.

Quality assurance

Errors in the Group's research or advocacy outputs, would impact reputation and future effectiveness in exploiting advocacy opportunities.

Financial risks

The Group is dependent upon voluntary income from other Amnesty member entities and from third party donors to adequately fund core human rights work. The Group is exposed to liquidity risk arising from the potential failure to achieve budgeted income. This risk is derived both from the potential non-payment of assessment income from Amnesty sections and from the potential non achievement of fundraising grants.

1.5 Financial Review

The results for the Group show net incoming resources after other recognised gains and losses of £4,112,000 (2013: net outgoing resources of £4,891,000).

The Group is principally funded by contributions from country sections as assessed by the International Council. Incoming resources for the year were £61,743,000 (2013 £59,001,000), consisting primarily of assessment income. The increase in incoming resources is mainly due to an increase of contributions from Amnesty Sections.

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Total resources expended were £52,713,000 (2013 - £53,437,000) before exceptional restructuring costs incurred in the year of £2,749,000 as part of the change in organisational structure and development of regional offices under the Global Transition Programme. The restructure has been planned and undertaken in line with the Operational Plan for the two years ended 31 December 2016, as approved by the International Executive Committee (now the International Board). The reduction in total resources expended year on year is mainly due to the delay in establishing the new regional offices and the budgeted restructuring costs for the Global Transition Programme, presented as exceptional costs.

The Group has net current assets of £15,793,000 as at 31 December 2014 (31 December 2013: £6,164,000). The Group has unrestricted funds totalling £20,614,000 at the balance sheet date (31 December 2013: £17,148,000).

Net cash inflow from operating activities for the year was £8,320,000 (2013: £5,410,000). The Group has net funds of £19,626,000 as at 31 December 2014 (31 December 2013: £11,874,000).

Performance during the financial period, together with historical trend data is set out in the table below:

	January - December 2014	January - December 2013	January - December 2012
Total voluntary income	£61,443,000	£58,437,000	£54,507,000
Net current assets	£15,793,000	£6,164,000	£5,038,000

2. Reserves policy

At 31 December 2014 the Company's free reserves were £7,101,000 (31 December 2013: £2,982,000) and the Group's free reserves were £7,848,000. In line with Charity Commission guidance, free reserves are calculated as the Company's unrestricted net assets that are freely available to spend, without negatively impacting the Company's operations.

In addition to the free reserves, the directors have designated funds of £1,202,000. These are to be used to fund delayed Global Transition Programme expenditure, and are expected to be utilised during 2015 and 2016.

The directors have set a target range of free reserves based upon an analysis of the potential financial impacts of significant risks identified through the Company's risk management framework, weighted for likelihood and impact.

The principal sources of information which were taken into account when setting the reserves target range included:

1. The Company's risk management framework;
2. Income budgets/forecasts and analyses of the stability of sources of income;
3. Expenditure budgets; forecasts, including staff costs, grants to sections/structures, and capital expenditure;
4. Cash flow forecasts including the required contributions in respect of the defined benefit pension scheme;
5. Levels of reserves held by IS branches and subsidiaries, including any practical restrictions on access to those reserves and the appropriate levels which are required for liquidity and the mitigation of financial risk at the level of the branch or subsidiary.

In consideration of these factors the target range for the Company has been set at between £5.4m and £9.6m.

The directors have approved a programme of monitoring and reporting on the level of free reserves throughout the year in conjunction with the budgeting and forecasting process in order to achieve the desired target by the end of 2015.

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3. Organization structure

The IS is responsible to the International Board through the Secretary General, Salil Shetty. It is funded principally by Amnesty's national sections for the purpose of furthering the work of Amnesty International on a worldwide basis and to assist the work of sections in specific countries as necessary. During the year the work of the IS was undertaken principally through two United Kingdom registered companies: Amnesty International Limited ("AIL") and Amnesty International Charity Limited ("AICL"). AICL is a wholly owned subsidiary of AIL.

Amnesty International Limited was incorporated on 6 January 1982. AIL's aims are detailed in the Strategic Report.

During the year ended 31 December 2014, in view of AIL's experience and resources to carry out human rights work AICL provided grant funding to AIL for AIL to carry out charitable activities on its behalf under the terms of a memorandum of understanding which took effect on 1 January 2013. The memorandum of understanding regulates the grant relationship between the two entities and includes appropriate controls and restrictions on the use of AICL funds by AIL for the furtherance of AICL's charitable objects.

During the year AIL donated £79,000 (2013: £79,000) to the Charity under the Gift Aid scheme.

4. Offices overseas

AIL carries out some operations through a number of overseas offices that it controls as branches. These are located in: Beirut, Dakar, Geneva, Johannesburg, Nairobi, Moscow, New York, Paris, and Kiev.

AIL carries out operations in Hong Kong through Amnesty International Asia-Pacific Regional Office Limited, a company incorporated in Hong Kong, (register in 1990) and a wholly owned subsidiary of AIL.

In May 2014, the IS registered a new entity to carry out its operations in Mexico - Oficina Regional de Amnistía Internacional - a local association, affiliated to the IS by way of AIL's corporate membership of the association.

AIL also makes payments to two international language resource entities, one in France and one in Spain. Centre de Ressources Linguistiques d'Amnesty International – Unité Chargée de la Langue Française (AILRC-Fr) is an association registered in France in 1986 which is controlled by AIL. Editorial Amnistía Internacional, S.L. sociedad unipersonal, a company incorporated in Spain, was formed in 1986 and is a wholly owned subsidiary of AIL. Both entities translate and distribute Amnesty publications in the relevant language and form part of the wider Amnesty International Language Resource Centre.

During 2014 the IS completed de-registration of its Kampala office (previously a branch of AIL).

5. Governance

AIL is limited by guarantee and does not have share capital. The members (guarantors) are the elected members of the International Board ("the Board") of Amnesty International, individuals who are elected by representatives of the country sections of Amnesty International at the biennial International Council Meeting, in accordance with the Statute of Amnesty International. The members are elected for a four year term.

The governing documents of AIL are its Memorandum and Articles of Association, last updated in February 2010.

New Board directors receive an induction at the IS shortly after their appointment, covering a general overview of the organization and administrative details, fiduciary responsibilities, and legal/statutory responsibilities.

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The Governance Programme at the International Secretariat is responsible for identifying the general training needs for the entire Board as well as specific requests for training from individual Board members.

6. Management

The Board is responsible for agreeing policy and approving operational plans and budgets and ensuring these are implemented. The Board also appoints the Secretary General of Amnesty International who is responsible for the day to day operations of the Group.

The activities of the Group are managed by the Secretary General, supported by a senior leadership team and approximately 500 staff.

7. Volunteers

Volunteers and interns make a highly significant contribution towards Amnesty's global objectives. Volunteers typically commit to volunteer between two and three days a week for a minimum of three months. Interns undertaking specific projects generally volunteer their time for three to five days per week for a minimum of 4 months. For the year ended 31 December 2014, there were on average 100 volunteers and interns supporting the activities of the IS.

The support we receive from volunteers and interns is invaluable. Volunteers help our members of staff with a variety of aspects of their work and are involved in activities across the International Secretariat. These tasks include monitoring the international press, translating, undertaking research, designing web pages, raising funds and supporting legal, human resources and accounting activities.

Our volunteers' backgrounds are varied and enable our staff to benefit from the skills of a diverse range of volunteers composed largely of under and post graduate students, as well as active and retired professionals.

The Group also benefits from the provision of pro bono services in the area of professional advice services, in particular the provision of legal advice by law firms.

8. Going concern

We have set out above a review of financial performance and the Group's reserves position. Our risk assessment and planning processes, including financial projections, have taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. The directors have a reasonable expectation that adequate resources are available to enable the Group to continue in operational existence for the foreseeable future. The directors believe that there are no material uncertainties that call into doubt the Group's ability to continue. The accounts have therefore been prepared on the basis that the Group is a going concern.

9. Investment policy

The Group invests surplus funds in short term deposits. These are managed in line with its Treasury Management Policy. The Policy's aim is to provide assurance, through appropriate controls, that the Group operates strictly within a minimum risk framework and ethical investment policy with no use of speculative products.

10. Grant making policy

The Group provides support to other Amnesty entities (primarily in the global South and East) through the provision of grants for research, publications, education and campaigning activities. Grants payable to other Amnesty entities are made in line with the Group's strategic objectives. The Group monitors all grants in accordance with the relevant grant agreement.

11. Pension fund

The FRS 17 valuation of the AIL defined benefit pension scheme as at 31 December 2014 supplied by AIL's actuaries showed a deficit figure of £4,759,000 (31 December 2013 £4,164,000).

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The FRS17 results can change significantly from year to year depending on market conditions. The liabilities are linked to yields on AA-rated corporate bonds, whereas some of the assets of the Scheme are invested in growth assets, such as equities and property. Changing market values in conjunction with discount rate variability can lead to volatility in the funded status of the Scheme and thus to volatility in the net pension liability.

A full actuarial valuation is carried out approximately every three years. The most recent was carried out as at 30 September 2011 which revealed a funding shortfall of £12,055,000 (September 2008: £10,226,000). The Group is currently making annual contributions of £1,266,000, increasing by 5% per year, as agreed with the Trustees of the pension scheme, to eliminate this shortfall. The next full actuarial valuation will be carried out in 2015.

In April 2013 the scheme rules were amended and a stand-alone trust created to hold life insurance policies, removing these from the main scheme trust. This was to comply with pensions law requirements requiring pension schemes to be restricted to 'retirement benefit activities'.

12. Directors and directors' interests

The directors of the Group who served throughout the financial year were as follows:

Vincent Adzahlie-Mensah
Rune Arctander
Sarah Beamish
Nicole Bieske
Paul Divakar Namala
Sandra Lutchman
Guadalupe Rivas
Bernard Sintobin
Julio Torales

13. Employment of disabled persons

The Group has established an equal opportunities policy which covers people with disabilities; efforts continue to be made to provide adequate facilities for these individuals. The Group also makes every effort to continue to employ people if they become disabled during their employment by making reasonable adjustments which include providing appropriate additional facilities or by adapting the requirements of the work to the individual's changed abilities.

We currently have a new framework in place, National Equality Standard to ensure that we are fully implement our policies and make sure we are proactive and put measures in place to make the organisation a fully inclusive environment.

14. Employee involvement

The IS has an Internal Communications function which leads on and delivers the Internal Communications Strategy in the IS to increase trust and confidence in the IS and to ensure that people feel supported, informed and involved in decisions about their work and their roles - and ultimately that their experience of working in the IS is a positive one. Priorities are set and measured using the IS engagement survey. To enable improvements identified by the survey, the team works closely with the Organisational Development and Human Resources, the Senior Leadership and management teams to deliver frequent, timely and informative communications.

Internal Communications also complements the work that management undertakes with the Union to enhance internal communications and ensure staff needs are better met. A structured series of weekly email communications are in place and complemented by a range of internal meetings, including monthly updates on financial performance to ensure there is a common understanding about how our funds are being used and to ensure greater financial awareness.

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15. Public benefit

Amnesty International Limited (Amnesty International) is a not for profit organisation whose activities are intended to be for the public benefit.

Amnesty International campaigns to end grave abuses of human rights. Its vision is for every person to enjoy all the rights enshrined in the Universal Declaration of Human Rights and other international human rights standards.

Amnesty International's vision broadly aligns with the following charitable purpose set out in the UK Charity Act 2011 (section 3(1) (h)), which therefore gives a statutory basis under the law of England and Wales for treating the promotion of human rights as charitable:

- the advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity

In addition, Amnesty International's vision and activities are broadly aligned to the UK Charity Commission Guidance on the promotion of human rights (RR12). This Guidance specifically refers to the 'obvious public benefit' in promoting human rights, both from the point of view of an individual whose rights are secured, as well as the significant benefit to the wider community that arises from a perception that the fundamental rights of all members are being protected.

Amnesty International promotes the protection and advancement of human rights through a range of activities, including:

- undertaking, commissioning and publishing research on human rights issues around the world;
- awareness-raising of human rights issues through media, campaigns and membership communications;
- providing relief to victims of human rights abuses and violations;
- supporting human rights education and human rights activism

The issues we work on include:

- defending freedom of expression
- protecting women's rights
- abolishing the death penalty
- demanding justice for crimes against humanity
- demanding corporate accountability where companies have abused people's rights

In setting our objectives and planning our activities, Amnesty International's directors have, on a voluntary basis, given careful consideration to the Charity Commission's general guidance on public benefit.

16. Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 company will continue in business.

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

17. Auditors

Insofar as each of the directors of the company at the date of approval of this report is aware there is no relevant audit information (information needed by the company's auditor in connection with preparing the audit report) of which the company's auditor is unaware. Each director has taken all of the steps that he/she should have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information. Crowe Clark Whitehill LLP has expressed its willingness to continue as auditor for the next financial year.

BY ORDER OF THE BOARD



Nicole Bieske
Director

23 May 2015

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

We have audited the financial statements of Amnesty International Limited for the year ended 31 December 2014 which comprise the Consolidated Statement of Financial Activities, the Group and Parent Company Balance Sheet, the Group Cash Flow Statement and the related notes numbered 1 to 28.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2014 and of the group's profit [loss] for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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**Independent Auditor's Report to the Members of Amnesty International Limited
(continued)**


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



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

19 June 2016

Consolidated Statement of Financial Activities (Incorporating the Income and Expenditure Account) For the year ended 31 December 2014

	Notes	Unrestricted Funds 2014 £'000	Restricted Funds 2014 £'000	Total Funds 2014 £'000	Total Funds 2013 £'000
Incoming resources					
Voluntary income	4	55,599	5,844	61,443	58,437
Activities for generating funds		227	-	227	496
Investment income		73	-	73	68
Total incoming resources		55,899	5,844	61,743	59,000
Resources expended					
Cost of generating funds	5	1,929	-	1,929	1,359
Costs of charitable activities	5	44,487	5,197	49,684	50,898
Governance costs	8	1,100	-	1,100	1,180
Total resources expended before exceptional restructuring costs		47,516	5,197	52,713	53,437
Net incoming / (outgoing) resources before exceptional restructuring costs and other recognised gains and losses		8,383	647	9,030	5,564
Exceptional restructuring costs	5	(2,749)	-	(2,749)	(2,622)
Net incoming / (outgoing) resources before other recognised gains and losses		5,634	647	6,281	2,941
Currency translation gain / (losses)		18	-	18	35
Actuarial gain / (losses)	10	(2,186)	-	(2,186)	1,914
Net incoming / (outgoing) resources		3,465	647	4,112	4,890
Fund balances brought forward		17,148	305	17,453	12,563
Fund balances carried forward		20,614	952	21,566	17,453

All activities are continuing.

There is no difference between the results for the period stated above and their historical cost equivalents. The Group has no recognised gains and losses other than the gains and losses above, and therefore no separate statement of total recognised gains and losses has been presented.

The Company's net incoming resources for the year ended 31 December 2014 totalled £4,085,000 (2013: outgoing resources of £4,454,000).

The notes on pages 17 to 41 form part of these financial statements.

Balance sheet as at 31 December 2014

Company no: 1606776

	Notes	Group		Company	
		Dec-14 £'000	Dec-13 £'000	Dec-14 £'000	Dec-13 £'000
Fixed assets					
Tangible assets	13	15,810	18,698	15,484	18,205
Intangible assets	14	9	10	-	-
Investments	15,16	196	51	21	21
Total fixed assets		16,015	18,759	15,505	18,226
Current assets					
Assets held for sale	13	2,122		1,958	
Stocks	17	3	7	-	-
Debtors: amounts falling due within one year	18	2,664	2,964	2,719	2,704
Debtors: amounts falling due after one year	18	1,929	697	1,901	685
Short term investments		5,273	5,440	5,271	5,440
Cash at bank and in hand	19	17,552	8,247	16,581	7,422
Total Current Assets		29,543	17,355	28,430	16,251
Creditors: amounts falling within one year	20	(13,749)	(11,191)	(13,358)	(10,819)
Net current assets/(liabilities)		15,793	6,164	15,072	5,432
Total assets less current liabilities		31,809	24,922	30,578	23,658
Creditors: amounts falling due after more than one year	21	(3,824)	(1,767)	(3,858)	(1,767)
Provisions for liabilities and charges					
Provisions	22	(1,660)	(1,538)	(1,642)	(1,491)
Defined benefit pension scheme liability	10	(4,759)	(4,164)	(4,759)	(4,164)
Net assets		21,566	17,453	20,319	16,236
Funds:	23				
Unrestricted funds excluding pension reserve		8,362	2,614	7,613	2,063
Designated funds - fixed assets		15,810	18,698	15,484	18,205
Designated funds -Global Transition Programme		1,201		1,202	
Pension reserve	10	(4,759)	(4,164)	(4,759)	(4,164)
Total unrestricted funds		20,614	17,148	19,540	16,104
Restricted funds		952	305	779	132
Total funds		21,566	17,453	20,319	16,236

The financial statements were approved and authorised by the Board of Directors on 23 May 2015 and signed on their behalf by

Nicole Bieske, Director.

The notes on pages 17 to 41 form part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2014

	Notes	2014 £'000	2013 £'000
Net cash inflows from operating activities	29	8,320	5,410
Return on investment and servicing of finance			
Interest received		68	53
Interest paid		(40)	(40)
Interest element of finance lease rental payments		(1)	(7)
Net cash outflow from returns on investments and servicing of finance		27	6
Taxation		-	(7)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(594)	(1,021)
Receipt of insurance bond		-	-
Net cash outflow from capital expenditure and financial investments		(594)	(1,021)
Net cash inflow before financing		7,753	4,388
Financing			
Payments in to short term deposits		169	(2,940)
Raising of loans		49	-
Gain on revaluation of loans from Sections		1,376	4
Capital element of finance lease rental payments		(41)	(77)
Net cash outflow from financing		1,553	(3,013)
Increase in cash & cash equivalents	29	9,306	1,375

The notes on pages 17 to 41 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2014

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, voluntarily, the Statement of Recommended Practice – “Accounting and Reporting by Charities” (SORP) revised in March 2005. The directors have voluntarily adopted the substantive requirements of this SORP as if the Company were a charity as they consider that this is the most appropriate format to give a true and fair view of the Company’s and Group’s activities. As a result, the consolidated statement of financial activities presented on page 14 contains both an income and expenditure account in accordance with the Companies Act 2006 and a Statement of Total Recognised Gains and Losses required by FRS 3 “Reporting Financial Performance”. The only items that would appear in a separate Statement of Recognised Gains and Losses are the currency translation differences arising on the retranslation of opening reserves of subsidiaries and actuarial pension adjustments as shown in the Statement of Financial Activities.

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

Basis of consolidation

All companies over which the Company is able to exercise control are consolidated as subsidiary undertakings. Control is defined as the right to give directions as to operational and financial policies. Therefore Amnesty International Charity Limited (AICL), Editorial Amnistía Internacional, S.L. sociedad unipersonal (EDAI), Centre de Ressources Linguistiques d’Amnesty International – Unité Chargé de la Langue Française (AILRC-Fr), Amnesty International Asia-Pacific Regional Office Limited (AIAPROL) and Oficina Regional de Amnistía Internacional (Mexico) have been consolidated into these Group financial statements. The accounting reference date of the Company and its subsidiaries is 31 December.

The Mexican Regional Office (Oficina Regional de Amnistía Internacional) was incorporated in 2014 with Amnesty International Limited (the Company) being the sole owner and the results have been consolidated into the 2014 Group financial statements accordingly.

The Company carries out some operations overseas through a number of overseas offices that it controls as branches. These are located in New York, Geneva, Paris, Dakar, Kampala, Kiev, Johannesburg, Nairobi, Beirut and Moscow. The Kampala office was closed in February 2014 with its activities being taken over by the Dakar and Nairobi Regional Offices. The financial statements include the results, assets and liabilities of these offices.

The financial statements do not include the activities of the Sections of the Amnesty International movement, as these are separate legal entities that are neither owned nor controlled by the Company.

Company Income and Expenditure Account

As permitted by section 408 of the Companies Act 2006, a separate income and expenditure account for the Company has not been included in these accounts.

2 Accounting policies

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

Fund accounting

The Group maintains two types of fund:

- | | |
|--------------|---|
| Restricted | where income is received from donors for use on specific projects, including relief. |
| Unrestricted | for use by the directors to further the general objects of the Group. The directors, at their discretion, may set aside funds to cover specific future costs. Such funds are shown as designated funds within unrestricted funds. Where the directors decide such funds are no longer required for the purposes intended, they may be released by transfer to general unrestricted funds. |

Incoming resources

Assessment income

Assessment contributions from Sections are calculated based on a Section's income two years prior to the year the contribution is made and applying a scale of contribution rates (in Euros) set at the 2011 International Council Meeting (ICM) of Amnesty International.

Assessment contributions are invoiced on 1 January in the financial year to which they relate. Payment plans are agreed on a Section-by-Section basis, with the majority of payments being made quarterly in advance.

Contributions are treated as deferred income and recorded on the balance sheet, until released to income over the period to which they relate.

Provisions are made against assessment contributions that are deemed unlikely to be met, either due to agreed assessment relief arrangements or by the opinion of the International Secretariat. The movement in provision during the period is offset against the assessment income. Contributions from Sections are payable quarterly or monthly.

Additional Voluntary Contributions

Where there are no Section imposed conditions relating to the time period in which Additional Voluntary Contributions ("AVCs") may be spent, AVCs will be recognised as income on receipt.

Where Sections impose conditions relating to the time period(s) in which the expenditure of AVCs can take place, incoming resources are matched with expenditure such that AVCs relating to expenditure in future periods will be recorded as deferred revenue on receipt.

Donation income

Donations are recognised when legal entitlement to them first arises and when the amount can be quantified with reasonable clarity. Where there is no notification from the donor prior to cash being received, income is recognised on a cash receipt basis.

Sales income

Sales income is derived from the sale of broadcast and video rights, publications and audio visual products, net of applicable VAT, to various organisations through the world and is accounted for on an accruals basis.

2 Accounting policies - continued

External grants

Where no performance conditions relating to the receipt of incoming resources are set then restricted grant revenue is recognised when receivable (when the conditions of entitlement, certainty and measurability have been met).

Where the receipt of incoming resources relating to a restricted grant is dependent on certain contractual performance conditions, revenue is only recognised when these conditions have been met. Where grants are subject to donor imposed conditions which specify the time period in which expenditure can take place and there exist detailed expenditure budgets with explicit timescales (that have been agreed by the grantor and grantee), then incoming resources are matched with expenditure such that revenue relating to expenditure in future periods is recorded as deferred revenue when received.

Where there is uncertainty over the period to which the revenue grant relates or where the period is not yet known, revenue grants are recognised when received.

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 Group to the expenditure.

Resources expended are classified over the activity headings shown below. Where expenditure cannot be directly attributed to particular headings (i.e. support costs) it is allocated based upon the proportion to the number of staff engaged in each area.

Cost of generating funds

Cost of generating funds comprise costs incurred by the Group relating to the submission of funding proposals (including letters of interest, concept notes and full proposals) to grant giving bodies and support provided to Sections for their own fundraising applications.

Exceptional costs

Exceptional costs are included in the Consolidated Statement of Financial Activities with the item to which they relate, except where they relate to a fundamental restructuring, in which case they are identified separately from net incoming/outgoing resources before other gains and losses. In 2012, 2013 and 2014 redundancy costs are associated with the reorganisation of the departments relating to the global transitioning programme. These costs were considered to represent a fundamental restructure, along with subsequent costs of relocation to new Regional Offices and the related project management costs.

Activities in pursuance of the group's objectives comprise:

1. **Charitable activities**, including those undertaken on behalf of Amnesty International Charity Limited which include:
 - **Research into human rights violations** which represents the costs incurred in conducting research to highlight grave abuses of human rights and to demand justice for those whose rights have been violated and **publication of research**.
 - **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.
2. **Activities in pursuance of securing the observance of the Universal Declaration of Human Rights** throughout the world which would not be considered to be charitable under United Kingdom law. Such activities principally comprise **campaigns undertaken with a view to influencing actions taken by sovereign governments**.

2 Accounting policies - continued

Governance costs represent costs that relate to the general running of the Group as opposed to the direct management functions inherent in the activities of the Group. The Group also bears Governance costs that relate to the entire Amnesty International movement, such as the cost of the International Council Meeting (ICM). They provide the governance infrastructure which allows the Group to operate and to generate the information required for public accountability, which includes the strategic planning processes that contribute to the future development of the Group.

Grants

Amounts payable to Sections and partners to support research, publications and campaigning activities are charged to the Statement of Financial Activities when an obligation exists.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Assets costing less than £1,000 are written off in the period of acquisition.

Depreciation is provided so as to write off the cost of fixed assets less their estimated residual value on a straight line basis over the expected useful lives of the assets concerned. Freehold land is not depreciated.

The estimated useful lives used for this purpose, which are consistent with those of the prior year, are:

Freehold buildings	- 50 years	Computer equipment	- 3 years
Leasehold land and buildings	- Over length of lease	Leasehold improvements	- Over length of lease
Office furniture and equipment	- 10 years	Motor vehicles	- 5 years

Leased assets

Operating lease rentals are charged to expense on a straight line basis over the term of the lease. Tangible fixed assets acquired under finance leases are included in the balance sheet at their equivalent capital value and are depreciated over the shorter of the lease term and their useful life. The corresponding liabilities are recorded as a creditor and the interest element of the finance lease rentals is charged to the income statement over the period of the lease to produce a constant rate of charge on the balance of capital repayments outstanding.

Investments in subsidiaries and other companies

Investments in subsidiaries and other companies are shown in the Company balance sheet at historical cost.

Cash and cash equivalents

Cash and cash equivalents include deposits repayable on demand without penalty. Short term money market deposits, and fixed term cash deposits which do not meet this criterion are held under current assets as short term deposits.

Provisions

A provision is recognised in the balance sheet when there is a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date. With the exception of the defined benefit pension scheme deficit, provisions are not discounted to the present value as they are expected to be settled within 12 months of the balance sheet date.

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. As such the net gain or loss is included within incoming resources in the Statement of Financial Activities.

2 Accounting policies - continued

The results of overseas subsidiaries are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas subsidiaries are reported in the Statement of Financial Activities as gains and losses before net incoming/ (outgoing) resources.

Pension costs

The Group operates defined benefit and defined contribution pension schemes.

Under the defined benefit scheme, the pension liabilities and assets are recorded in line with FRS17, with a valuation undertaken by an independent actuary. FRS17 measures the value of pension assets and liabilities at the Balance Sheet date, determines the benefits accrued in the period and the interest on assets and liabilities. The expected return on scheme assets and interest cost on scheme liabilities are allocated across the appropriate incoming/outgoing resource categories in the Statement of Financial Activities. The change in value of assets and liabilities arising from asset valuation, changes in benefits, actuarial assumptions, or change in the level of deficit attributable to members is recognised within actuarial gains/losses in the Statement of Financial Activities. The resulting pension liability is shown on the Balance Sheet.

Under the defined contribution scheme, pension contributions are charged to the Statement of Financial Activities as incurred.

3 Segmental Analysis

The directors are of the opinion that the Group and the Company have 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.

Geographical segments

	Europe	Americas	Rest of World	Total
	£'000	£'000	£'000	£'000
Voluntary income	50,339	7,285	3,819	61,443

4 Voluntary income

Contributions from Sections are stated net of provisions against income of £3,378,000 (2013: £2,840,000).

	Unrestricted Funds 2014 £'000	Restricted Funds 2014 £'000	Total Funds 2014 £'000	Total Funds 2013 £'000
Contributions from sections (net of provisions)	51,989	-	51,989	46,979
Additional voluntary contributions from sections	2,470	781	3,251	4,735
Donations	192	5,063	5,255	6,719
Other Income (inc. legacies)	949		949	4
Total Voluntary Income	55,599	5,844	61,443	58,437

5 Resources expended

	Notes	Grants payable Note 6 2014 £'000	Direct costs 2014 £'000	Support costs Note 7 2014 £'000	Total Funds 2014 £'000	Total Funds 2013 £'000
Cost of generating funds						
Grant fundraising and translation		-	1,506	424	1,930	1,352
Taxation		-	-	-	-	7
Total cost of generating funds		-	1,506	423	1,930	1,359
Cost of activities in furtherance of the Group's objectives						
Research and publications		419	21,971	5,709	28,099	25,917
Campaigning		8,785	7,786	5,014	21,585	24,981
Total activities		9,204	29,757	10,723	49,684	50,898
Governance	8	-	466	634	1,100	1,180
Total resources expended		9,204	31,729	11,781	52,714	53,437

Amnesty International Limited is liable for corporation tax on investment income received during the year. The Company pays all of this income to Amnesty International Charity Limited, a charitable subsidiary of the Company, in the form of a donation under Gift Aid.

In addition to the above, **exceptional restructuring costs** were incurred in the year of £2,749,000 in relation to the reorganisation of the IT, Strategy Evaluation, Europe and Central Asia, Asia, Africa, Campaigns and communications and Global Thematic Issues programmes of work as part of the Global Transition Programme.

Most of these reorganisation plans form part of the Global Transition Programme described in the Strategic Report. Costs relate to redundancy, relocation, project management and one off costs associated with the set-up of the new regional offices. The restructure has been planned and

Amnesty International Limited *(a company limited by guarantee)*

undertaken in line with the Operational Plan for the two years ended 31 December 2015, as approved by the International Board.

6 Grants

The Group makes grants to certain Sections. Grants payable to Sections are considered to be part of the costs of activities in furtherance of the Group's objectives as such grants are used by recipients to undertake research, publications and campaigning activities. In the current and preceding financial years, the Group made grants to certain Sections, to be used by recipients to undertake research, publications and campaigning activities. During the year the Group made grants totalling £9,204,000 (2013: £10,316,000). At the balance sheet date, the Group had awarded and communicated but not yet paid grants to the value of £2,251,000 (2013: £2,085,000); these grants were awarded to fund 2015 activity but have been included in 2014 expenditure because fulfilment of the grant conditions was considered highly likely and outside of the direct control of the Group at year end. There were conditional grant commitments at the year-end of £5,908,000 (31 December 2013: £5,040,000). Details of individual grants are available from the Company's registered office.

7 Support Costs

	Activities	Fundraising	Governance	Total	Total
	2014	2014	2014	2014	2013
	£'000	£'000	£'000	£'000	£'000
Salaries and employment benefits	4,592	181	272	5,045	5,422
Occupancy costs	1,297	51	77	1,425	1,156
Professional fees	2,131	84	126	2,341	2,154
Information technology costs	750	30	44	824	484
Administration costs	499	20	30	549	1,163
Depreciation	1,265	50	75	1,389	1,357
Insurance	306	12	18	336	232
Other costs	(116)	(5)	(7)	(128)	282
	10,724	423	634	11,781	12,251

Support costs include premises, communication, information technology and other general running and management costs of the Group. The support costs are spread over the other categories in proportion to the number of staff engaged in each area. Other costs include the interest received on the defined benefit pension scheme.

8 Governance Costs

	2014	2013
	£'000	£'000
Salaries and employment benefits	347	459
Occupancy costs	77	24
Professional fees	236	146
Publication costs	77	74
Information technology costs	59	13
Administration costs	196	405
Insurance	18	25
Other costs	89	35
	1,100	1,180

Governance costs consist of the costs of the operation of the International Board along with its support staff and international committees, the Finance and Audit Committee, the International Council Meeting and a share of the support costs.

9 Employees and Directors

Group employee costs (including directors' emoluments) accounted for during the year amounted to:

	2014	2013
	£'000	£'000
Salaries	24,253	24,131
Redundancy costs	1,631	1,959
Social security costs	2,898	3,128
Employer pension contributions	2,211	2,111
Staff recruitment, training and welfare	1,610	983
	32,603	32,312

The average number of persons employed by the Group during the year was 498 (2013: 510).

	2014	2013
Fundraising	14	11
Research and Regions	189	189
Campaigning and Communications	166	187
Governance	21	7
Support	108	116
	498	510

The split of staff based in the UK and overseas is as follows:

	2014	2013
UK	394	442
Overseas	104	68
	498	510

9 Employees and Directors (continued)

The number of employees whose emoluments paid during the year, including taxable benefits in kind and redundancy payments but not employer pension contributions, were over £60,000 was:

	Staff paid includes redundancy payment	Staff paid excluding redundancy payment	Total for 12 months ended Dec 14	12 months ended Dec 13
£ 60,000 - 70,000	1	34	35	31
£ 70,000 - 80,000	2	21	23	28
£ 80,000 - 90,000	3	2	5	11
£ 90,000 - 100,000	2	1	3	10
£100,000 - 110,000	1	5	6	4
£110,000 - 120,000	1	1	2	1
£120,000 - 130,000	0	0	0	2
£150,000 - 160,000	1	0	1	0
£200,000 - 210,000	0	1	1	1

The above numbers include a number of long-serving staff who received redundancy payments in 2013 and 2014, as a result of the Global Transition Programme.

The aggregate value of contributions paid to the pension scheme in respect of the staff disclosed in the above table amounted to £501,096.42 (2013: £613,766). This number also includes redundancy pay paid as pension during the year.

The disclosures above includes £203,000 remuneration paid to the Secretary General and £21,000 paid to the pension scheme. The pension contribution is calculated at a standard 10.5% of annual salary.

The non-executive directors of the company received no remuneration for their services (2013: £nil). No contributions were paid to the pension scheme in respect of directors' qualifying services (2013: £nil), and no director is accruing benefits under the defined contribution scheme (2013: none). No directors are accruing benefits in relation to the previous defined benefit scheme (2013: none).

Transactions with Directors

Expenses for travel related expenditure of £21,904 were paid to 12 Directors (2013: £25,131 to 12 Directors). Other than the above expenditure, there were no transactions with directors in the year and no director has any loan amounts outstanding to the group.

10 Pension arrangements

The Company operates a pension scheme, the Amnesty International Superannuation Scheme (AISS, the Scheme). The Scheme comprises a defined contribution section and a defined benefit section.

Defined contribution

The Company contributes to the defined contribution scheme at the standard rate of 7.5% of pensionable salaries, plus an additional 0.8% for death in service premiums and 0.8% for scheme expenses.

Employees may make contributions up to a maximum of 15% of their pensionable earnings at their own discretion, these additional contributions being matched by the Company to a maximum of an additional 3%.

The assets of the Scheme are held separately from those of the Company. The Company's contributions in the year were £2,067,000 (2013 £2,102,000).

10 Pension arrangements – continued

Defined benefit

The second section contains all employees, and former employees who either have retired or have deferred benefits, who transferred from the previous defined benefit scheme (Amnesty International Retirements Benefits Scheme – AIRBS), to the current defined contribution scheme in 1988. These people have fixed or final salary guarantees relating to service in the AIRBS which guarantees them a minimum pension and therefore the Company contributes at enhanced rates for them.

A sectionalisation between the defined contribution and the defined benefit elements of the Scheme was carried out as at 6 April 2006. This involved the Trustees reclaiming control of all assets, including the assets in members' individual money purchase account, that are backing members' final salary guarantees. The Trustees now hold all assets in respect of members' final salary guarantees centrally. The disclosures as at 31 December 2011, 31 December 2012, and 31 December 2013, are in respect of the defined benefit element of the Scheme only. Care should be taken when comparing with earlier disclosures as the historical practice was to include the defined contribution section.

The excess of the return on the pension scheme assets over the interest cost for the defined benefit scheme was £325,000 (2013: (£75,000)). The pension costs for the defined benefit pension scheme are treated in accordance with FRS 17.

The following elements are charged to the SOFA:

- the service cost of pension provision relating to the year, together with the cost of any benefits relating to past service (allocated to staff costs);
- the net return on financing which is a charge equal to the increase in the present value of the Scheme liabilities and a credit equivalent to the Companies' long-term expected return on assets (allocated to interest payable); and
- the actuarial gain or loss on the scheme's assets and liabilities (allocated to other recognised gains and losses).

The difference between the market value of the assets of the scheme and the present value of accrued pension liabilities is shown as an asset or liability on the balance sheet. The major assumptions used by the actuary for the purposes of the valuation were:

	At 31 Dec 14	At 31 Dec 13
	%	%
Pensions increasing in payment at CPI (max 3.0% pa)	1.8	2.1
Discount rate	3.5	4.4
Expected return on scheme assets		6.7
Life expectancy	S1 tables projected by year of birth using CMI 2014 improvements and a and a 1% long term improvement rate	S1 tables projected by year of birth using CMI 2013 improvements and a and a 1% long term improvement rate

10 Pension arrangements – continued

The overall expected return on assets is derived from the average of the long term expected returns on each asset class. The amounts recognised in the balance sheet and the expected rates of return for scheme assets under this valuation were:

	Fair value of assets at 31 Dec 14 £'000	Expected long-term rate of return at 31 Dec 13	Fair value of assets at 31 Dec 13 £'000	Expected long-term rate of return at 31 Dec 12	Fair value of assets at 31 Dec 12 £'000
Equities (incl. property)	16,731	7.50%	15,445	7.50%	11,821
Bonds (incl. cash)	6,251	4.30%	5,161	3.70%	5,115
Total fair value of assets	<u>22,982</u>		<u>20,606</u>		<u>16,936</u>
Present value of scheme liabilities	(27,741)		(24,770)		(24,295)
Deficit in the scheme	<u>(4,759)</u>		<u>(4,164)</u>		<u>(7,359)</u>
<i>Amounts in the balance sheet</i>					
Liabilities	(4,759)		(4,164)		(7,359)
Net liability	<u>(4,759)</u>		<u>(4,164)</u>		<u>(7,359)</u>

Scheme assets are taken at bid-value.

Effect on the Consolidated Statement of Financial Activities

The effect on the Consolidated Statement of Financial Activities for the year to 31 December 2014 was as follows:

	31 Dec 14 £'000	31 Dec 13 £'000
Expected return on pension scheme assets	1,399	1,113
Interest on pension scheme liabilities	(1,074)	(1,038)
Total amount charged within net outgoing resources	<u>325</u>	<u>75</u>
Actuarial gain / (loss)	(2,186)	1,914
Total amount charged to the Statement of Financial Activities	<u>(1,861)</u>	<u>1,187</u>

The cumulative total of recognised actuarial losses is £10,822,000 as at 31 December 2014 (31 December 2013: £8,636,000)

10 Pension arrangements – continued

Analysis of the amount disclosed as actuarial gains and losses on defined benefit pension scheme:

	31 Dec 14	31 Dec 13
	£'000	£'000
Actual return less expected return on pension scheme assets	424	1,655
Changes in assumptions underlying the present value of the scheme liabilities	(2,968)	259
Actual return less expected return on pension scheme liabilities	358	-
Actuarial gain/ (loss) recognised	<u>(2,186)</u>	<u>1,914</u>

Changes in the fair value of the scheme assets are as follows:

	31 Dec 14	31 Dec 13
	£'000	£'000
Opening fair value of scheme assets	20,606	16,936
Expected return	1,399	1,113
Actuarial gain / (loss)	424	1,655
Additional Employer contributions	1,266	1,206
Benefits paid	(713)	(304)
Fair value of scheme assets at the year end	<u>22,982</u>	<u>20,606</u>

The additional employer contributions during the accounting period amounted to £1,266,000 and the employer is currently expected to contribute £1,330,000 for the coming year.

Changes in the present value of the defined benefit obligation are as follows:

	31 Dec 14	31 Dec 13
	£'000	£'000
Opening defined benefit obligation	(24,770)	(24,295)
Interest cost	(1,074)	(1,038)
Actuarial gain/(loss)	(2,610)	259
Benefits paid	713	304
Defined benefit obligation at end of year	<u>(27,741)</u>	<u>(24,770)</u>

The major categories of scheme assets as a percentage of total Scheme assets are as follows:

	31 Dec 14	31 Dec 13
Equities (incl. property)	72.8%	75.0%
Bonds (incl. cash)	27.2%	25.0%
	<u>100%</u>	<u>100%</u>

	31 Dec 14	31 Dec 13
	£'000	£'000
Actual return on the scheme assets in the year	1,823	2,768

10 Pension arrangements – continued

The following table sets out the history of experience gains and losses:

	31 Dec 2014 £'000	31 Dec 2013 £'000	31 Dec 2012 £'000	31 Dec 2011 £'000	31 Mar 2011 £'000
Defined benefit obligation	(27,741)	(24,770)	(24,295)	(21,774)	(19,339)
Scheme assets	22,982	20,606	16,936	14,378	14,059
Deficit	(4,759)	(4,164)	(7,359)	(7,396)	(5,280)
Experience adjustments on scheme liabilities	358	-	-	23	-
Effect of change in assumptions on scheme liabilities	(2,968)	259	(1,896)	(1,805)	234
Experience adjustments on scheme assets	424	1,655	860	(813)	31

As detailed above, the Group administers a closed defined benefit scheme and operates a defined contribution pension scheme. The total pension costs for both during the year including administration and other fees totalled £2,252,000 (2013: £2,326,000). Employer contributions outstanding at the year-end totalled £149,000 (2013: £169,000).

11 Interest payable and similar charges

	2014 £'000	2013 £'000
Group interest payable and similar charges:		
on loans from Sections	40	40
on pension finance costs	(325)	(75)
on finance leases	1	7
	(284)	(28)

The return on pension scheme assets exceeded the interest on the pension finance costs.

12 Net outgoing resources

The Group's net outgoing resources are arrived at after charging:

	2014 £'000	2013 £'000
Depreciation of tangible fixed assets	1,359	1,393
Foreign exchange (gains) / losses	(18)	(35)

Auditor's Remuneration

	2014 £'000	2013 £'000
Fees payable to the group's auditors for the audit of the group's statutory accounts for the year	55	67
Fees payable to the group's auditors for the audit of Amnesty International Charity Limited for the year	3	3
Fees payable to the group's auditors for grant certification	-	3
Total audit fees payable to the group's auditor	61	73
Non-audit services from the group's auditor	5	3

13 Tangible fixed assets

Movements on the fixed assets during the year were:

Group	Freehold land and buildings	Leasehold land and buildings	Leasehold improve- ments	Office furniture and equipment	Computer equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 January 2014	23,297	285	44	5,331	4,170	33,126
Currency revaluation	-	-	-	(2)	-	(2)
Additions	-	22	-	376	196	594
Disposals/Insurance bond receipt	-	-	-	(52)	-	(52)
Transfer of assets from held for sale	(5,200)					(5,200)
At 31 December 2014	18,097	307	44	5,654	4,366	28,467
Depreciation						
At 1 January 2014	(7,172)	(91)	(41)	(4,085)	(3,039)	(14,428)
Currency revaluation	-	-	-	-	-	-
Charge for the year	(377)	-	-	(399)	(582)	(1,359)
Disposals	-	-	-	52	-	52
Reverse assets held for sale	3,078					3,078
At 31 December 2013	(4,471)	(91)	(41)	(4,432)	(3,622)	(12,657)
Net book value						
At 1 January 2014	16,124	194	3	1,247	1,131	18,698
At 31 December 2014	13,624	216	3	1,222	745	15,810

13 Tangible fixed assets continued

In the 2012 accounts Assets held for sale comprised of land and buildings at 25-28 Easton Street, part of the group of properties forming the Company's head office in London, valued at its depreciated historical cost. During 2014 the Board decided to sell 25-27 Easton Street and discussions are also underway regarding the sale of a building owned by the Hong Kong Subsidiary. These are included as held for sale assets, within current assets at a net book value of £2,122,000

Company	Freehold land and buildings	Office furniture and equipment	Computer equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At beginning of period	22,934	5,170	4,052	32,156
Additions	-	343	195	538
Disposals/Insurance proceeds	-	(52)	-	(52)
Transfer to assets held for sale	(4,883)	-	-	(4,883)
At 31st December 2014	18,051	5,461	4,247	27,759
Depreciation				
At beginning of period	(7,034)	(3,969)	(2,948)	(13,951)
Charge for the year	(363)	(369)	(569)	(1,301)
Disposals	-	52	-	52
Transfer to assets held for sale	2,925	-	-	2,925
At 31st December 2014	(4,472)	(4,286)	(3,517)	(12,275)
Net Book Value				
At beginning of period	15,900	1,201	1,104	18,205
At 31st December 2014	13,579	1,175	730	15,484

The net book value of office furniture and equipment at 31 December 2014 includes £4,000 relating to equipment held through finance leases. Depreciation of £41,000 was charged in the year in respect of these assets.

14 Intangible assets

Intangible assets of £9,000 represent a deferred tax asset held by the EDAI subsidiary (2013: £10,000).

15 Investments in Subsidiaries

Investments comprise:		Percentage ownership	Cost at 31 Dec 14 £'000	Cost at 31 Dec 13 £'000
Editorial Amnistía Internacional, S.L. sociedad unipersonal	(EDAI)	100%	19	19
Amnesty International Asia-Pacific Regional Office Limited	(AIAPROL)	100%	1	1
			20	20

Investments comprise the purchase cost (less any impairment in value) of the share capital of each subsidiary company.

Editorial Amnistía Internacional, S.L. sociedad unipersonal (EDAI), a company incorporated in Spain, was formed in 1986 for the purpose of translating Amnesty International publications into Spanish and printing, publishing and distributing translated works and other publications within Spanish speaking countries.

Centre de Ressources Linguistiques d'Amnesty International – Unité Chargé de la Langue Française (AILRC-FR) or EFAI, an association registered in France, was formed for the purpose of translating Amnesty International publications into French and printing, publishing and distributing translated works and other publications within French speaking countries. While there is no investment in AILRC-FR, the association is effectively controlled by Amnesty International Limited and is treated as a subsidiary.

Amnesty International Asia-Pacific Regional Office Limited (AIAPROL), a company incorporated in Hong Kong, was formed in 1990 for the purpose of organising the local copying and distribution of Amnesty International publications. It also serves as a base for research and development activities.

Oficina Regional de Amnistía Internacional, (MEX), a new entity registered in May 2014 to carry out its operations in Mexico.

Amnesty International Charity Limited ("the Charity") is a registered charity. It was incorporated in 1986 to undertake certain of those aspects of the work of Amnesty International Limited which are charitable under the law of England and Wales. While there is no investment in the Charity, the Charity is a wholly owned subsidiary and consolidated in these statements.

A summary of incoming resources, resources expended, assets, liabilities and funds for the subsidiaries is presented below:

	Incoming Resources 2014 £'000	Resources Expended 2014 £'000	Other recognised gains / (losses) 2014 £'000	Net incoming / (outgoing) resources 2014 £'000
EDAI	703	(715)	(16)	(28)
AIAPROL	1,246	(1,376)	24	(106)
EFAI	835	(721)	18	132
MEXICO	104	(109)	-	(5)

Amnesty International Limited (a company limited by guarantee)

	Total assets 2014 £'000	Total liabilities 2014 £'000	Total Funds 2014 £'000
EDAI	567	(176)	391
AIAPROL	362	(100)	262
EFAI	299	(154)	145
MEXICO	80	(5)	75

16 Other investments

A participating interest of £1,000 is held in the International Civil Society Center (previously the Berlin Civil Society Center), an organisation set up to provide advisory and support services from Germany for International Civil Society Organisations. It is not an associate of Amnesty International Limited, the Company having no involvement in the strategic operating and financial policies of the organisation with all transactions being on a commercial basis.

17 Stock

	Group		Company	
	31 Dec 14 £'000	31 Dec 13 £'000	31 Dec 14 £'000	31 Dec 13 £'000
Finished goods	3	7	-	-

18 Debtors

Amounts shown as debtors falling due after one year comprise:

	Group		Company	
	31 Dec 14 £'000	31 Dec 13 £'000	31 Dec 14 £'000	31 Dec 13 £'000
Amounts due from Sections	1,706	685	1,707	685
Prepayments		12	-	-
Other Debtors	223		194	
	1,929	697	1,901	685

Amounts shown as debtors falling due within one year comprise:

	Group		Company	
	31 Dec 14 £'000	31 Dec 13 £'000	31 Dec 14 £'000	31 Dec 13 £'000
Amounts due from Sections	1,220	1,038	1,253	1,032
Other debtors	873	1,617	895	1,363
Prepayments and accrued income	571	309	571	309
	2,664	2,964	2,719	2,704

The amounts due from Sections include loans to Sections, mainly for investment in fundraising. Some loans are interest bearing, with rates either being fixed or based on UK LIBOR, and all have individual repayment schedules ending from within the next financial year to 2019.

19 Cash at bank and in hand

Cash at bank and in hand was £17,552,000 (31 December 2013: £8,247,000). The reason for this level of cash held is due to a delay in operational activity resulting from delays in setting up the new regional offices as well as several large grants and legacies being received in December 2014

20 Creditors: amounts falling due within one year

Amounts shown as creditors falling due within one year comprise:

	Group		Company	
	31 Dec 14	31 Dec 13	31 Dec 14	31 Dec 13
	£'000	£'000	£'000	£'000
Bank Loans	49			
Loans from Sections	6		6	
Trade creditors	622	1,002	490	916
Obligations under finance leases	4	45	4	45
Deferred income	6,096	4,040	6,096	4,040
Taxation and social security	163	86	127	15
Other creditors	864	1,050	695	985
Accruals	4,003	3,055	3,997	2,905
Grant Accruals	1,943	1,913	1,943	1,913
	13,749	11,191	13,358	10,819

Deferred income comprises £4,501,000 in contributions received from Sections carrying a requirement that related expenditure takes place in future years; and £1,066,000 in grants from external donors where conditions for recognition have not yet been met.

Grant accruals comprise grants in respect of 2015 planned activity, which were communicated to recipients in 2014 but paid in 2015.

21 Creditors: amounts falling due after more than one year

Amounts shown as creditors falling due after more than one year comprise:

	Group		Company	
	31 Dec 14	31 Dec 13	31 Dec 14	31 Dec 13
	£'000	£'000	£'000	£'000
Loans from Sections	3,143	1,767	3,178	1,767
Deferred taxation	11		11	
Other creditors from sections	669		669	
	3,824	1,767	3,858	1,767

21 Creditors: amounts falling due after more than one year - continued

The loans from Sections are unsecured and interest bearing. Loans from Sections comprise:

Counterparty	31 Dec 14 £'000	Rate	Repayment year
AI Austria 1	389	EURIBOR + 1.5%	2017
AI Austria 2	156	EURIBOR + 1.25%	2018
AI Switzerland 1	1,298	2%	2020
AI Switzerland 2	130	0%	2019
AI Sweden	186	Higher of LIBOR + 1% and 2.5%	2019
AI Belgium	783	EURIBOR + 1.25%	2020
AI Finland	235	Higher of LIBOR + 1% and 2.5%	2019
EFAI	(34)		

22 Provisions

Group	Restructuring £'000	Other £'000	Total £'000
At 1 January 2014	893	645	1,538
Charged / released to the statement of financial activities	166	(44)	122
At 31 December 2014	1,059	601	1,660
Company	Restructuring £'000	Other £'000	Total £'000
At 1 January 2014	893	598	1,491
Charged / released to the statement of financial activities	147	4	151
At 31 December 2014	1,040	602	1,642

Restructuring Provision

The restructuring provision relates to employee severance costs, which are recognised when the reorganisation of certain departments of Amnesty International Limited are formally announced by the Company. It is expected that the majority of this expenditure will be incurred in the next 12 months.

Other Provisions

Other provisions relate to holiday pay £586,000 (2013: £582,000) and appeals by current and former staff including backdated salary reviews £16,000 (2013: £16,000).

23 Share capital and funds

Group	Unrestricted funds	Restricted funds	Total
	£'000	£'000	£'000
Fund balances at 31 December 2014 are represented by:			
Fixed assets	16,015	-	16,015
Current assets	28,590	952	29,542
Current and long term liabilities and provisions	(19,233)	-	(19,233)
Pension liability	(4,759)	-	(4,759)
Total net assets at 31 December 2014	20,613	952	21,566

23 Share capital and funds - continued

Group restricted funds

The restricted funds are funds given for specific purposes. The movements on the restricted funds during the year were as follows:

Name	1 January	Income	Expenditure	31 December
	2014			2014
	£'000	£'000	£'000	£'000
AI Canada (Eng)	(9)	-	-	(9)
AI France -Syria (Deadly Reprisals)	(4)	-	4	-
AI Netherlands		(781)		(781)
AI United Kingdom	(80)	-	-	(80)
Ali Al-Shamali		(62)	62	
American Counsel of Learned Societies	-	(47)	47	
Ander-Petersen 2014 Grant		(33)	33	-
Anonymous		(111)	112	1
Comic Relief	-	(132)	132	-
EEJ Funds		(29)	29	-
EuropeAid	(4)	-	-	(4)
Ford Foundation	-	(83)	83	-
Ford Foundation GTP	(61)	-	-	(61)
Gilbert Smith	-	(1)		(1)
Google	(50)	-	50	-
Google - Panic Button	(85)	(5)	85	(5)
Human Rights Defenders Placement Funds	(10)	-	-	(10)
Norwegian Telethon	-	(4,059)	4,059	
Open Society Foundation	-	(21)	21	-
Open Society Foundation GTP	(2)	(119)	119	(2)
Swedish Postcode Lottery	-	(361)	361	-
	(305)	(5,844)	5,197	(952)

Restricted funds from Amnesty International Sections

The Group held funds provided by Sections during the year, with the following restrictions:

AI France -Syria This represents funding from AI France to be restricted to human rights work on Syria.

AI Canada (Eng) Balance carried forward at 1 January 2013 relates to an operational planning grant, to be spent in 2014.

AI Netherlands Additional Voluntary Contribution towards work in Africa

AI United Kingdom Balance carried forward at 1 January 2013 relates to International Mobilisation Trust and Common Accounting Framework grant, to be spent in 2014.

American Counsel of Learned Societies

The American Counsel of Learned Societies funds an internship programme and the fund is used for salary costs.

Comic Relief

The Comic Relief grant relates to Amnesty International's Slums and Human Rights project in Kenya. This grant continues to 2016.

23 Share capital and funds - continued

EuropeAid

The EuropeAid fund is restricted to Amnesty International's Education for Human Dignity project which ran from 1 March 2010 to 28 February 2013.

Ford Foundation

The Ford Foundation grant relates to a Technology and Human Rights project. The 'GTP' element is a grant for the Global Transition Programme.

Google

The Google grants are restricted to digital Human Rights work.

Gilbert Smith

The Gilbert Smith grant relates to security and human rights work.

Norwegian Telethon

The Norwegian Telethon is a multi-year grant relating to freedom of expression, discrimination against women and minorities, corporate Human Rights infringements, victims of armed conflicts and fair legal systems in MENA.

Open Society Foundation

One fund is restricted to a Human Rights campaign project in the Caucasus region. The 'GTP' element is a grant for the Global Transition Programme.

Swedish Postcode Lottery

The fund is restricted to the Human Rights project 'Women's Rights, Women's Lives' in South Africa, Nepal and Burkina Faso.

24 Finance leases

Finance lease commitments comprise obligations payable in respect of office furniture and equipment:

	Group		Company	
	31 Dec 14 £'000	31 Dec 13 £'000	31 Dec 14 £'000	31 Dec 13 £'000
Within one year	4	45	4	45
Within two to five years	-	-	-	-
	<u>4</u>	<u>45</u>	<u>4</u>	<u>45</u>

25 Operating Leases

At 31st December 2014 the Group had annual commitments under non-cancellable operating leases:

	Group	
	Rental leases £'000	Other Leases £'000
Within one year	33	-
Within two to five years	406	-
	439	-

26 Capital and other commitments

At 31 December 2014 the Group and Company had commitments of £35,000 for future capital expenditure not already provided in the financial statements (31 December 2013: £42,000 for Group and Company).

At the balance sheet date the Company had entered into 26 forward exchange contracts in order to hedge its anticipated future income from Sections. All of these contracts are to purchase sterling and comprise of 25 which must be exercised on a fixed date; and one which must be exercised by the Company between an agreed ranges of dates. All of these exercise dates fall between January and December 2015. Security is required by one of the counterparties for contracts totalling a value in GBP of £20 million and is provided under an agreement renewed in 2009 on the freehold property held by the Company at Easton Street, London. The value of each of these contracts is shown below:

Currency	Value in contract currency '000	Average contract rate	Value in GBP '000
Euro	14,000	1.24	11,263
Swiss Franc	7,300	1.52	4,816
Danish Krone	23,900	9.24	2,587
Swedish Krona	26,482	11.52	2,298
Norwegian Krone	19,616	10.44	1,879
Canadian Dollar	3,460	1.80	1,924
			24,767

Details of the Group's grant commitments at year end are provided in note 6.

27 Related party transactions

As described in the report of the directors and note 1, the Company is funded by Sections in the worldwide Amnesty International movement. The Company also has arrangements with Sections and the Company's subsidiaries on an arm's length basis. The transactions with Sections during the year, and the balances due to or from them at the year end, are disclosed in the relevant notes to the financial statements.

28 Events after the balance sheet date

On 13 May 2015 the International Secretariat received an offer to buy the land and buildings at 25 and 28 Easton Street which was significantly higher than the net book value. The majority of the sale proceeds will be reinvested into our human rights work in the light of strategic goals for 2016-2019 due to be agreed at the International Council Meeting in August 2015.

29 Cash flow information

	2014	2013
	£'000	£'000
Net movement in funds	4,113	4,890
Restatement of opening fixed assets through grant expenditure		10
Currency translation difference in fixed assets	2	(5)
Depreciation	1,359	1,393
(Increase)/decrease in stocks	4	
(Increase)/decrease in debtors	(1,072)	1,614
Increase/(decrease) in creditors	3,228	1,624
Increase/(decrease) in provisions	122	(908)
Increase/(decrease) in pension deficit	595	(3,195)
Investment income	(73)	(68)
Interest payable	41	47
Taxation	-	7
Net cash inflow from operating activities	8,320	5,410

Reconciliation of net cash flow to movement in net funds

	2014	2013
	£'000	£'000
Increase in cash and cash equivalents in the year	9,305	1,375
Increase in liquid resources	(169)	2,940
(Increase) / decrease in debt and lease financing	(1,384)	73
Movement in net funds	7,752	4,388
Net funds at start of period	11,874	7,487
Net funds at period end	19,626	11,874

Analysis of net funds

	31-Dec-13	Cash flow	31-Dec-14
	£'000	£'000	£'000
Cash at bank and in hand	8,247	9,305	17,552
Short term deposits	5,440	(169)	5,271
Debt due after 1 year	(1,767)	(1,376)	(3,143)
Debt due within 1 year		(49)	(49)
Finance leases due after one year	-	-	-
Finance leases due within one year	(45)	41	(4)
	(1,812)	(1,384)	(3,197)
Net funds	11,874	7,752	19,626