

# **Amnesty Human Rights Foundation Limited**

*(a company limited by guarantee)*

## **Report and financial statements for the year ended 31 March 2008**

*Company No: 3449848*

## Contents

<b>Section</b>	<b>Page</b>
Legal and Administrative details .....	1
Report of the directors .....	2
Statement of Financial Activities .....	8
Balance sheet .....	9
Cash flow statement .....	10
Notes to the financial statements .....	11

## Legal and Administrative details

<b>Directors:</b>	Ms Irene Khan Ms Kate Gilmore Mr Peter Alderson Ms Marcia Poole
<b>Company Secretary:</b>	Mr George Macfarlane
<b>Address and Registered Office:</b>	1 Easton Street London WC1X 0DW
<b>Company Registration Number:</b>	3449848
<b>Date of incorporation:</b>	14 October 1997
<b>Constitution:</b>	Company limited by guarantee, with memorandum and articles of association.
<b>Bankers:</b>	<b>HSBC Bank plc</b> 74 Goswell Road London EC1V 7DA
<b>Solicitors:</b>	<b>Clifford Chance LLP</b> 10 Upper Bank Street London E14 5JJ
<b>Auditors:</b>	<b>PricewaterhouseCoopers LLP</b> 1 Embankment Place London WC2N 6RH

## **Report of the Directors for the year ended 31 March 2008**

The directors have pleasure in presenting their report on the affairs of the Company, together with the financial statements for the year ended 31 March 2008. This report and the financial statements have been prepared in accordance with current statutory requirements, as set out in the notes to the financial statements.

### **1. Aims and Organization**

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 international human rights instruments throughout the world. The movement consists of 52 sections in different countries throughout the world and an International Secretariat in London. Delegates of the sections meet periodically at the International Council Meetings to co-ordinate their activities and to elect an International Executive Committee to implement the Council's decisions.

The objectives, organization and methods of operations of the movement are stated in the Statute of Amnesty International currently in force.

### **2. Organizational Structure**

The Amnesty International Secretariat in London is responsible to the International Executive Committee through the Secretary General. It is funded principally by AI'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. The work of the International Secretariat is primarily undertaken through two United Kingdom registered companies: Amnesty International Limited and Amnesty International Charity Limited.

A third United Kingdom registered company, Amnesty Human Rights Foundation Limited, undertakes activities, including fundraising and fund management, which are not part of the core research, publishing and information dissemination activities of the International Secretariat. This company is currently the recipient of the Make Some Noise music based project.

The directors believe that the Limited Company has adequate resources to continue in operating existence for the foreseeable future. The income from royalties will continue to flow in to the Foundation. For this reason, they continue to adopt the going concern basis in producing accounts. A statement of the directors' responsibilities in relation to the accounts appears on page 5.

### **3. Amnesty Human Rights Foundation Limited**

The Company's objects are:

- The carrying on in all parts of the world the business of organising and promoting charity music concerts and the receipt and management of funds raised directly from such concerts, associated sponsorship, television, radio and multimedia distribution rights and associated product merchandising.
- The organisation, promotion and advancement of Amnesty International's Universal Declaration of Human Rights Campaign (the "Campaign") and the receipt and management of any funds donated to the Campaign or raised by the sponsorship of the Campaign.

## **Report of the directors – continued**

- The management of a human rights endowment trust (the “Endowment Trust”) to be established by Amnesty International and the receipt and management of any funds donated to or received by the Endowment Trust.
- The assisting of Amnesty International in its worldwide campaigning for the observance of human rights and its membership development.

### **4. Governance**

The Company is limited by guarantee and does not have share capital. The directors are the guarantors. The day to day management of the Company has been delegated to staff of Amnesty International Limited.

The Directors are appointed by the Directors of Amnesty International Limited.

### **5. Activities during the year**

The Song ‘Imagine’ expresses the same hope and humanity that inspires Amnesty International’s vision: that of a world in which every person enjoys all of the rights embodied in the Universal Declaration of Human Rights. Thanks to an extraordinary gift to the Amnesty Movement from Yoko Ono - the recording rights to John Lennon’s Imagine and other inspiring songs in his solo songbook – AI harnessed the power of music through a global artistic activism and fundraising venture, simply called, Make Some Noise.

In Amnesty International’s first global music venture since 1988’s ‘Human Rights Now!’ concert tour, AHRFL brought artists and activists together in the name of human rights, and mobilized a new generation of supporters to combat major human rights issues around the world. By inspiring the world’s youth to get involved, AHRFL injected today’s global human rights community with a fresh sense of energy, urgency and strength with a special focus on Darfur, Sudan.

In 2006/07 Make Some Noise produced physical and digital music content featuring gold and multi-platinum artists recording selected John Lennon tracks to be made available for retail and download sales. A distribution agreement was reached with Warner Brothers Records Ltd. for the distribution and sale of a compact disc and an agreement was reached with Apple Ltd. to release tracks for digital download. The release of both the physical recordings and the digital tracks occurred in June 2007. In June 2007 this material was launched marking completion of the Make Some Noise Project; however promotion and sales of the Make Some Noise products continued throughout the period..

Make Some Noise was coordinated and managed under the authority of the AI Secretary General by a team at the London office of AI’s International Secretariat and a team working for Art for Amnesty in Dublin and a team operating out of AI USA.

AI agreed the beneficiaries would be the Foundation, AI USA, Art for Amnesty and a number of AI Sections. The Foundation’s costs on the project were funded by a loan from Amnesty International Limited.

## **Report of the directors – continued**

### **Financial results**

Movements on unrestricted funds during the year were as follows:

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Surplus/(Deficit) for year	599	(309)
Accumulated unrestricted deficit, 1 April	(756)	(447)
<b>Accumulated unrestricted deficit, 31 March</b>	<b>(157)</b>	<b>(756)</b>

Full details are shown in the attached Statement of Financial Activities for the year to 31 March 2007 and its supporting notes.

The directors believe that the Company does not have any significant exposure to financial risks.

Auditors' remuneration is borne by AIL and is not directly recharged to the Amnesty Human Rights Foundation Limited. If it had been, the audit fee for the Amnesty Human Rights Foundation Limited would have been £2,500 (2007: £2,500).

### **6. Directors and directors' interests**

The directors of the Company at 31 March 2008 and to date were as follows:

I Khan (Chairperson)  
K Gilmore  
P Alderson  
M Poole

D Searle resigned as a director on 17 September 2007. P Alderson resigned as a director on 1 April 2008. M Poole was appointed as director on 1 April 2008.

The directors do not have any interests required to be disclosed under Section 325 of the Companies Act 1985.

In accordance with Article 38 of the Articles of Association, the directors are required to retire at the forthcoming annual general meeting. Being eligible, I Khan, K Gilmore and M Poole offer themselves for re-election.

### **7. Company Secretary**

P Alderson resigned and K Gilmore was appointed company secretary on 1 April 2008.

Kate Gilmore resigned and George Macfarlane was appointed company secretary on 14 October 2008.

### **8. Close company provisions**

As far as the directors are aware the close company provisions of the Income and Taxes Act 1988 do not apply to the Company; there has been no change in this respect since the end of the year.

## **Report of the directors – continued**

### **9. Statement of Directors' responsibilities**

The Directors are responsible 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).

The Directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records that 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 1985, the Statement of Recommended Practice 'Accounting and Reporting by Charities 2005' and the governing document. 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.

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and they have taken all the steps they ought to have taken as directors in order to make them aware of any relevant audit information and to establish that the company's auditors are aware of the information.

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

### **10. Auditors**

The Directors will issue a call for tenders to be the auditors for Amnesty Human Rights Foundation Limited, and a resolution concerning the appointment of Auditors will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD

G Macfarlane  
Company Secretary  
November 2008  
1 Easton Street

## **Report of the directors – continued**

London  
WC1X 0DW

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMNESTY HUMAN RIGHTS FOUNDATION LIMITED**

We have audited the financial statements of Amnesty Human Rights Foundation Limited for the year ended 31 March 2008 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion:



**Report of the directors** – continued

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

*PricewaterhouseCoopers LLP*  
*Chartered Accountants and Registered Auditors*  
*London*  
*09 December 2008*

**Notes to the financial statements - continued**

**Statement of Financial Activities  
(Incorporating an Income and Expenditure Account)  
For the year ended 31 March 2008**

		<b>2008</b>	<b>2007</b>
		<b>£'000</b>	<b>£'000</b>
<b>Incoming resources</b>			
Donations – Make Some Noise	4	699	-
Activities for generating funds		-	1
Investment income		-	1
<b>Total incoming resources</b>		<u>699</u>	<u>2</u>
<b>Resources expended</b>			
Fundraising costs	5	100	311
<b>Total resources expended</b>		<u>100</u>	<u>311</u>
<b>Net Incoming (Outgoing) Resources</b>		599	(309)
Deficit balance brought forward at 1 April		(756)	(447)
<b>Deficit balance carried forward at 31 March</b>		<u>(157)</u>	<u>(756)</u>

There is no difference between the results for the year stated above, and their historical cost equivalents.

The Foundation has no recognised gains and losses other than the losses above and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 11 to 13 form part of these financial statements.

**Notes to the financial statements - continued**

**Balance sheet**  
**As at 31 March 2008**

		<b>2008</b>	<b>2007</b>
		<b>£'000</b>	<b>£'000</b>
<b>Current assets</b>			
Debtors	6	610	-
Cash at bank and in hand		<u>4</u>	<u>4</u>
		614	4
<b>Creditors: amounts falling due within one year</b>	7	<u>(771)</u>	<u>(760)</u>
<b>Net Current Liabilities</b>		<u>(157)</u>	<u>(756)</u>
<b>Net Liabilities</b>		<u>(157)</u>	<u>(756)</u>
<b>Funds:</b>			
<b>Restricted Funds (deficit)</b>		<u>(157)</u>	<u>(756)</u>

Approved by the board of directors on 09 December 2008 and signed on its behalf by:

I Khan  
Director

The notes on pages 11 to 13 form part of these financial statements.

**Notes to the financial statements - continued**

**Cash flow statement**  
**For the year ended 31 March 2008**

	2008 £'000	2007 £'000
<b>Net Incoming (Outgoing) Resources</b>	599	(309)
Interest receivable	-	(1)
<b>Net Incoming (Outgoing) Resources before interest receivable</b>	<u>599</u>	<u>(310)</u>
Change in debtors	(610)	-
Change in creditors	11	256
<b>Net cash inflow/(outflow) from operating activities</b>	<u>-</u>	<u>(54)</u>
<b>Returns on investment</b>		
Interest received	-	1
<b>Net cash inflow/(outflow)</b>	<u>-</u>	<u>(53)</u>

The notes on pages 11 to 13 form part of these financial statements.

## **Notes to the financial statements For the year ended 31 March 2008**

### **1 Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985, 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 activities. As a result, the statement of financial activities presented on page 8 contains both an income and expenditure account in accordance with the Companies Act 1985 and a Statement of Total Recognised Gains and Losses required by FRS 3 “Reporting Financial Performance”.

The Directors have received confirmation from Amnesty International Limited that they will continue to provide support to the Foundation for the foreseeable future.

### **2. Accounting Policies**

#### **Donations**

Donations are accounted for when legal entitlement to them first arises and when the amount can be quantified with reasonable certainty.

#### **Expenditure**

Expenditure is accounted for on an accrual basis.

#### **Irrecoverable VAT**

Irrecoverable VAT is included in costs.

#### **Foreign Currency**

Transactions denominated in foreign currency are translated into Sterling at the rate of exchange prevailing at the transaction date. Debtors and creditors denominated in foreign currency at year end are reported at the rate of exchange prevailing at that date. Any gain or loss arising from exchange rates movements is reflected in the Statement of Financial Activities.

### **3 Directors’ emoluments**

The Directors of Amnesty Human Rights Foundation Limited did not receive any remuneration or expense reimbursement during the year from the company for their services as directors of the company.

**Notes to the financial statements - continued**

**4. Incoming Resources**

The income for the Foundation was from royalties as follows:

	2008 £'000	2007 £'000
Donation: AIUSA	393	-
Donation: Art for Amnesty	274	-
Currency Exchange Gains	32	-
	<u>699</u>	<u>-</u>

The donations from the Make Some Noise project were for the Darfur appeal.

**5. Resources expended:**

The total resources expended during the year were as follows:

	2008 £'000	2007 £'000
Fundraising costs	<u>100</u>	<u>311</u>

The fundraising costs include software, maintenance, and travel and accommodation costs.

**6. Debtors: amounts falling due within one year**

	2008 £'000	2007 £'000
Amnesty International USA Section	362	-
Art for Amnesty	<u>248</u>	<u>-</u>
	<u>610</u>	<u>-</u>

The amounts due to the Foundation represent the donations from the Make Some Noise Project donated to the Foundation prior to 31 March 2008 and received after year end

**7. Creditors: amounts falling due within one year**

	2008 £'000	2007 £'000
Loan from Amnesty International Limited	<u>771</u>	<u>760</u>
	<u>771</u>	<u>760</u>

The loan from Amnesty International Limited is not subject to interest. The loan has increased due to payments made by Amnesty International Limited on behalf of Amnesty Human Rights Foundation Limited.

## Notes to the financial statements - continued

### 8 Share capital and reserves

The Company is limited by guarantee and has no share capital. There are 4 guarantors (2006: 4), each of whom is liable to pay a maximum amount of £1.

Reserves are available for use to meet the aims of the organisation and may not be distributed to the members.

### 9 Cash flow information

Reconciliation of net cash flow to movement in net funds

	2008 £'000	2007 £'000
Decrease in cash in the period	-	(53)
<b>Movement in net funds resulting from cash flows</b>	<b>-</b>	<b>(53)</b>
Net funds at 1 April	4	57
<b>Net funds at 31 March</b>	<b>4</b>	<b>4</b>

#### Analysis of net funds

	1 April 2007 £'000	Cash Flow £'000	31 March 2008 £'000
Cash at bank and in hand	4	-	4

Although there was income and expenditure accounted for during the year, there was no physical cash transaction in the books of the Foundation. The actual receipt and payment of money were made by the International Secretariat, AI USA and Art for Amnesty on behalf of the Foundation.

### 10 Ultimate parent company

The ultimate parent company and controlling party is Amnesty International Limited, a company incorporated in the United Kingdom. Copies of Amnesty International Limited consolidated financial statements can be obtained from the Company Secretary at 1 Easton Street, London WC1X 0DW.

### 11. Related Party Transactions

As described in the report of the directors and note 1 above, the Company is funded by donations from AI USA and Art for Amnesty. The running expenses of the Human Rights Foundation Limited are paid by the AIL. The transactions with AI USA, Art for Amnesty and

**Amnesty Human Rights Foundation Limited** *(a company limited by guarantee)*

## **Notes to the financial statements - continued**

the Amnesty International Limited 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.