

Amnesty International Charity Limited

(a company limited by guarantee)

Report and financial statements for the period 1 April 2011 to 31 December 2011

Company No: 2007475

Charity No: 294230

Amnesty International Charity Limited

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Legal and Administrative details

| | |
|---------------------------------------|---|
| Directors (and Trustees): | Mr Melvin Coleman (Chair) Mr Andrew Dick Mr Jakob Diness Ms Nancy Kingsbury |
| Company Secretary: | Mr Nicholas Williams |
| Address and Registered Office: | 1 Easton Street London WC1X 0DW |
| Company Registration Number: | 2007475 |
| Charity Registration Number: | 294230 |
| Date of incorporation: | 7 April 1986 |
| Constitution: | Company limited by guarantee, with articles of association. |
| Solicitors: | Bates Wells and Braithwaite 2-6 Cannon Street London EC4M 6YH |
| 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 |

Amnesty International Charity Limited

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Report of the Trustees for the period ended 31 December 2011

The Trustees, who are also the Directors of the Charity, present their annual report on the affairs of the Charity, together with the financial statements and auditors' report for the nine month period ended 31 December 2011.

1. Change of reporting period

In order to align planning and reporting with other member entities of the Amnesty International movement, the accounting reference date of the Charity has been changed to 31 December. To achieve this alignment, the Charity's annual report and financial statements presented here are in respect of the nine month period 1 April 2011 – 31 December 2011.

2. Aims and activities

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

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

The Charity largely commissions Amnesty International Limited to undertake charitable activities of the kind described below on its behalf. The Charity's objects are as follows:

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

Monitoring abuses of human rights;

Obtaining redress for the victims of human rights abuse;

Relieving need among the victims of human rights abuse (and in particular medical, rehabilitational or financial assistance);

Research into human rights issues;

Providing technical advice to government and others on human rights matters;

Contributing to the sound administration of human rights law;

Commenting on proposed human rights legislation;

Raising awareness of human rights issues;

Promoting public support for human rights;

Promoting respect for human rights among individuals and corporations;

International advocacy of human rights;

Eliminating infringements of human rights, including without limitation procuring the abolition of torture, extrajudicial execution and disappearance."

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2. Public benefit

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

The Charities Act 2006 makes provision for the advancement of human rights as a charitable purpose. Our objectives and purposes, and the activities that flow from them are broadly aligned to those summarised in the Charity Commission's guidance publication "RR12 - The Promotion of Human Rights".

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

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

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

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

4. Connected charities

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

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

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

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

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5. Governance

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

The IEC is an elected body which normally consists of nine individuals. The members of the IEC are elected by the representatives of the country sections of Amnesty International for a four year term at biennial International Council Meetings. The IEC has appointed a Finance & Audit Committee which also reports directly to Trustees on matters pertaining to the Charity.

The Trustees, who are also Directors of the Charity, are appointed by the IEC. New Trustees are provided with an induction in the Charity's activities by the Company Secretary.

6. Management

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

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

7. Principal risks and uncertainties

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

Risks are reviewed by the Board of Trustees and appropriate processes put in place to monitor and mitigate them. Key risks affecting the Charity are set out below:

Reputational risk

Reputational damage to the Charity may arise from adverse publicity for a number of reasons, including errors or bias in research reports, poor decision making or misconduct by the Trustees, involvement of regulators or actions taken by other parts of the Amnesty International movement, including the staff and officers of AIL. Such damage may result in a reduction in grants made to the Charity as a result of reduction in donations received by the Charity's principal donors (see section 4 above).

Trustees rely on quality control measures on research matters within AIL and on AIL's suitably experienced and qualified professional staff to mitigate this risk. In addition, the IS has agreed a crisis management strategy to deal with adverse media coverage.

Financial risks

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

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

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Regulatory / compliance risks

Compliance risk may arise if The Charity fails to comply with the Charity Commission or HMRC requirements. This may lead to adverse publicity, censure or penalties, and as a result may lead to reduced future donations. These risks are mitigated by careful scrutiny of projects funded by the Charity's grants and by the active management of the Charity's affairs by appropriately qualified legal and finance staff employed by AIL on behalf of the Charity.

8. Activities during the period

In a short report of this nature it is not possible to detail in its entirety the volume and variety of charitable initiatives undertaken around the world by the Charity working through AIL during the period. This report provides a brief overview of the Charity's work while more detailed information on the work of AI for the 9 month period ended 31 December 2011 is available in the Amnesty International Report 2012, from AI Sections and on the website: www.amnesty.org.

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

Global Priority Statements

Research and campaigning on human rights issues was funded and undertaken in a number of countries. Global key themes were monitored and reported on including:

- **Demand Dignity:** seeks accountability, access and active participation across four themes - Maternal Mortality, Corporate Accountability, Slums and Legal Enforcement.
- **No Security Without Human Rights:** seeks to expose governments who resort to unlawful forms of detention in the name of countering terrorism or on other "national security" grounds.
- **Crisis Response for Human Rights:** enhance rapid-response preparedness including availability of experts, ability to accommodate crisis responses among priorities for action and ability to direct and provide additional funding that may be necessary.
- **Protecting People on the Move:** development and implementation of a global strategy to address violations of the rights of unprotected and undocumented migrants as well as refugees and asylum seekers.
- **Human Rights Education:** promoting and enabling projects to raise awareness of human rights.

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9. Plans for future periods

The International Secretariat Operational Plan for the two years ended 31 December 2013 was presented to the International Executive Committee (IEC) in December 2011. This plans for the work of the Group and of Amnesty International Charity Limited which will continue to fund a proportion of the charitable objectives that arise. The plan is organized under three main categories of work:

Critical Pathways

- 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
- Addressing Human Rights Violations in Slums
- Security with Human Rights
- 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

Operational Enablers

- Movement Growth
- Fundraising
- Information Systems and Management
- Strategy, Impact and Accountability
- Organizational Development

Support and Governance

- Working towards better Financial and Legal Systems
- Ensuring a Suitable Working Environment for IS Staff
- Strengthening Leadership and Governance Mechanisms

10. Restricted grant income

The Charity received a grant of £743,000 (being part of a four year award) from the UK Department for International Development (Governance and Transparency funds) during the period. This grant is considered restricted as it may only be used by the Charity in support of its human rights education work in Africa.

11. Financial review

The results for the Charity show net outgoing resources of £213,000 (2010-11: net outgoing resources of £308,000).

The principal sources of funding for the Charity are contributions received from Sections. Incoming resources, which principally comprise income from AI United Kingdom, AI Canada and the Department for International Development, have remained comparable with the 2010-11 year once pro-rated for the shorter accounting period to 31 December 2011.

Gifts in kind from AIL have reduced from £2,253,000 to £nil as work performed by AIL in excess of the grant awarded by the Charity is no longer treated as having been donated to the Charity, but is instead performed directly by AIL. The value of this work was included in both voluntary income and resources expended, having no overall impact on net outgoing resources.

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The Charity has net current assets of £1,431,000 as at 31 December 2011 (31 March 2011: £1,645,000). The Charity has unrestricted funds totalling £1,343,000 at the balance sheet date (31 March 2011: £1,537,000).

Net cash outflow from operating activities for the period was £230,000 (2010-11: £622,000); the Charity has net funds of £1,229,000 as at 31 December 2011 (31 March 2011: £1,456,000).

Reserves policy

As at 31 December 2011 the level of free reserves of the Charity was £1,343,000.

As the Charity's activities are largely carried out on its behalf by AIL under the memorandum of agreement, and as AIL waives the right to charge for the services it provides, the Charity has no requirement for significant reserves. A target level of reserves has been set at £125,000 to cover annual expenditure not met by AIL and a contingency amount for unforeseen costs required to be met directly by the Charity.

The Directors anticipate that free reserves will be reduced through grants made to AIL in 2012-13 so as to reach the target level.

Investment policy

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

12. Going concern

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

13. Trustees

The Trustees of the Charity at 31 December 2011 and in the period were as follows:

Mr Melvin Coleman

Mr Andrew Dick

Mr Jakob Diness

Ms Nancy Kingsbury

14. Auditors

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

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15. Statement of Trustees' responsibilities

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

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

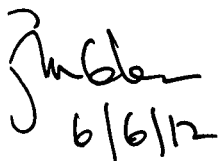
Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its net incoming/outgoing resources for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

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

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

BY ORDER OF THE BOARD



Melvin Coleman
Chair of the Trustees

1 Easton Street
London
WC1X 0DW

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

We have audited the financial statements of Amnesty International Charity Limited for the period ended 31 December 2011 set out pages 13 to 23. 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) 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 Trustees' Annual Report to identify material inconsistencies with the audited financial statements. 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 charitable company's affairs as at 31 December 2011 and of its incoming resources and application of resources, including its income and expenditure, for the 9 month period 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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Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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

29 June 2012

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Statement of Financial Activities (Incorporating an Income and Expenditure Account) For the period ended 31 December 2011

| | Notes | Unrestricted Funds 9 months ended 31 Dec 11 £'000 | Restricted Funds 9 months ended 31 Dec 11 £'000 | Total Funds 9 months ended 31 Dec 11 £'000 | Total Funds Year ended 31 Mar 11 £'000 |
|---|-------|--|--|---|---|
| Incoming resources from generated funds | | | | | |
| Voluntary income | 3 | 6,985 | 743 | 7,728 | 12,509 |
| Investment income | | 3 | - | 3 | 3 |
| Total incoming resources | | 6,988 | 743 | 7,731 | 12,512 |
| Resources expended | | | | | |
| Charitable activities | 4 | 7,159 | 762 | 7,921 | 12,672 |
| Governance costs | 4 | 23 | - | 23 | 148 |
| Total resources expended | 4 | 7,182 | 762 | 7,944 | 12,820 |
| Net (outgoing)/incoming resources | | (194) | (19) | (213) | (308) |
| Fund balances brought forward at start of period | | 1,537 | 108 | 1,645 | 1,953 |
| Fund balances carried forward at end of period | | 1,343 | 89 | 1,432 | 1,645 |

All amounts relate to continuing activities.

There is no difference between the net outgoing resources for the financial period ended 31 December 2011 and the financial period ended 31 March 2011 stated above and their historical cost equivalents.

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

The notes on pages 16 to 23 form part of these financial statements.

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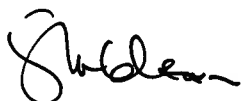
Balance Sheet
As at 31 December 2011

Company No: 2007475

Charity No: 294230

| | Notes | 31 Dec 11 £'000 | 31 Mar 11 £'000 |
|---|-------|--------------------|--------------------|
| Current assets | | | |
| Debtors | 10 | 322 | 235 |
| Investments | 11 | 300 | 1,451 |
| Cash at bank and in hand | | 929 | 5 |
| | | <u>1,551</u> | <u>1,691</u> |
| Creditors: amounts falling due within one year | 12 | (119) | (46) |
| | | <u>1,432</u> | <u>1,645</u> |
| Net current assets, total assets less liabilities and net assets | | | |
| | | <u>1,432</u> | <u>1,645</u> |
| Funds | | | |
| Unrestricted funds | 15 | 1,343 | 1,537 |
| Restricted funds | 13,15 | 89 | 108 |
| Total Funds | | <u>1,432</u> | <u>1,645</u> |

Approved by the board of directors on 6/6/12 and signed on its behalf by:



Melvin Coleman
Chair of the Trustees

The notes on pages 16 to 23 form part of these financial statements.

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Cash Flow Statement For the period ended 31 December 2011

| | Notes | 9 months ended 31 Dec 11 £'000 | Year ended 31 Mar 11 £'000 |
|---|-------|---|-------------------------------------|
| Reconciliation of net outgoing resources to net cash outflow from operating activities | | | |
| Net outgoing resources | | (214) | (308) |
| Interest receivable | | (3) | (3) |
| (Increase)/decrease in debtors | | (87) | (102) |
| (Decrease)/increase in creditors | | 74 | (209) |
| Net cash (outflow)/inflow from operating activities | | (230) | (622) |
| Cash flow statement | | | |
| Net cash (outflow)/inflow from operating activities | | (230) | (622) |
| Returns on investment and servicing of finance | | | |
| Interest received | | 3 | 3 |
| Management of liquid resources | | | |
| Sale/(purchase) of short term investments | | 1,151 | 604 |
| Net cash inflow / (outflow) | 14 | 924 | (15) |

The notes on pages 16 to 23 form part of these financial statements.

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Notes to the financial statements for the period ended 31 December 2011

1 Basis of Accounting

Basis of preparation

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

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

Scope

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

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

2 Accounting Policies

Incoming resources

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

Legacies

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

Donated services

Donated services from AIL are included in both incoming resources and resources expended at their fair value to the Charity as estimated by the Trustees. During the period ended 31 December 2011 AIL performed work of a value equal to the amount of grant awarded and therefore no services were donated to the Charity.

Grant income

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

Contributions from Sections

The Canadian and UK Sections of Amnesty International agree to contribute a share of their income towards the funding of the Charity. This contribution is for expenditure on specific charitable activities as determined by AICL in conjunction with the Canadian and UK sections.

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2 Accounting Policies (continued)

The Canadian Sections' agreed contribution for a year is fixed in their local currency and is payable quarterly in advance. The income received by the Charity may therefore differ from the sterling amount calculated at the contribution rate. These differences result in gains and losses from foreign exchange rate movements which are taken to the Statement of Financial Activities. Such gains and losses from foreign exchange are managed using forward contracts.

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

Investments

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

Fund accounting

The Charity maintains the following types of fund:

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

Resources expended

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

Resources expended are classified by the activity headings shown below. Where expenditure cannot be directly attributed to particular headings (support costs) it is allocated based upon AIL's expenditure in each category for the period ended 31 December 2011 as a proportion of AIL's total resources expended.

Charitable activities comprise:

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

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

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2 Accounting Policies (continued)

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 expenditure 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.

Irrecoverable VAT

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

Foreign currency

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

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

Segmental analysis

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

Liquid resources

Liquid resources comprise cash held in current accounts and call deposit accounts.

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3 Voluntary Income

| | Unrestricted Funds 9 months ended 31 Dec 11 £'000 | Restricted Funds 9 months ended 31 Dec 11 £'000 | Total Funds 9 months ended 31 Dec 11 £'000 | Total Funds Year ended 31 Mar 11 £'000 |
|---|--|--|---|---|
| Contributions from Sections | 6,785 | - | 6,785 | 9,271 |
| Donations and bequests | 151 | - | 151 | 86 |
| Government grant funding | - | 743 | 743 | 842 |
| Gift in kind from Amnesty International Limited (note 7) | - | - | - | 2,253 |
| Grant under Gift Aid from Amnesty International Limited | 49 | - | 49 | 57 |
| Total voluntary income | 6,985 | 743 | 7,728 | 12,509 |

4 Resources Expended

| | Direct costs 9 months ended 31 Dec 11 £'000 | Support costs 9 months ended 31 Dec 11 £'000 | Total Funds 9 months ended 31 Dec 11 £'000 | Total Funds Year ended 31 Mar 11 £'000 |
|--|---|---|--|--|
| Research into human rights violations | 5,071 | 713 | 5,784 | 9,531 |
| Relief work | - | - | - | 24 |
| Abolition of torture, extrajudicial execution and disappearance | 1,874 | 263 | 2,137 | 3,117 |
| Total charitable activities | 6,945 | 976 | 7,921 | 12,672 |
| Governance | 21 | 2 | 23 | 148 |
| Total resources expended | 6,966 | 978 | 7,944 | 12,820 |

Support costs include premises, communication, information technology and other general running and management costs of the Charity. The support costs are allocated to the other categories based upon AIL's expenditure in each category for the period ended 31 December 2011 as a proportion of AIL's total resources expended.

Governance costs consist of the statutory audit fee met by Amnesty International Limited; the staff costs of legal, financial and other support provided to Charity Trustees by Amnesty International Limited staff during the period; and a share of expenses relating to the organisation of committee and Board meetings, plus related support costs.

Auditors' remuneration is borne by AIL and is not directly recharged to the Charity. The audit fee for the Charity is £10,000 + VAT (2010-11: £13,000 + VAT).

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5 Support Costs

| | 9 months ended 31 Dec 11 Charitable activities £'000 | 9 months ended 31 Dec 11 Governance £'000 | 9 months ended 31 Dec 11 Total £'000 | Year ended 31 Mar 11 Total £'000 |
|----------------------------------|---|---|--|--|
| Salaries and employment benefits | 421 | 2 | 423 | 1,068 |
| Occupancy costs | 96 | - | 96 | 140 |
| Professional fees | 109 | - | 109 | 190 |
| Information technology costs | 47 | - | 47 | 82 |
| Administration costs | 162 | - | 162 | 369 |
| Depreciation | 75 | - | 75 | 219 |
| Insurance | 26 | - | 26 | 62 |
| Other costs | 40 | - | 40 | 241 |
| | 976 | 2 | 978 | 2,371 |

6 Grants

The Charity granted funds to AIL in the period for work performed on behalf of the Charity. The figure granted was £7,875,000 and included the amounts related to the grant received from the Department for International Development (DfID).

The grant received from DfID is part of a four-year award commencing in 2008 and totalling £3,149,000. It is used by the Charity in support of its human rights education work in Africa. The Charity works with partner organisations, reimbursing them for reported expenditure on a quarterly basis. Additionally, costs incurred on co-ordinating this project from the IS office in Dakar and on monitoring and evaluation are met from the grant.

The following expenditure was reimbursed from the grant directly to partner organisations or the Dakar office:

| | £'000 |
|----------------------------------|------------|
| WILDAF Benin | 55 |
| AI Burkina-Faso | 58 |
| AI Cote d'Ivoire | 44 |
| Maata-N-Tudu Association Ghana | 59 |
| Legal Resources Foundation Kenya | 84 |
| AI Mali | 56 |
| AI Senegal | 45 |
| AI Sierra Leone | 87 |
| AI Togo | 62 |
| EHAHRDP Uganda | 92 |
| Dakar office | 101 |
| | 743 |

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7 Gift in kind from Amnesty International Limited

In the nine month period ended 31 December 2011 AIL performed work on behalf of the Charity to the value of the grant awarded, and therefore no gift in kind was made to Amnesty International Limited (during the period April 2010 – March 2011, AIL incurred £2,253,000 of costs for work done on behalf of the Charity for which it was not reimbursed and was therefore gifted to the Charity).

8 Employees and Directors

The Charity had no employees during the period (2010-11: Nil). All salaries and related costs are charged or donated to the Charity by the employer, AIL. In the current financial period, employee costs borne by AIL on behalf of the Charity totalled £5,109,000 (2010-11: £7,555,000).

The directors of the Charity did not receive any remuneration during the period (2010-11: Nil) from the Charity for their services as directors and Trustees of the Charity.

The directors did not receive any reimbursement of expenses during the period (2010-11: Nil).

9 Taxation

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

10 Debtors

| | 31 Dec 11 | 31 Mar 11 |
|--------------------------------|------------|------------|
| | £'000 | £'000 |
| Due from Sections | 322 | 57 |
| Prepayments and accrued income | - | 178 |
| | 322 | 235 |

11 Investments

Investments comprise money market deposits.

| | 31 Dec 11 | 31 Mar 11 |
|-----------------------------------|------------|--------------|
| | £'000 | £'000 |
| Carrying value at start of period | 1,451 | 2,055 |
| Additions to investment at cost | - | - |
| Disposal of investments at cost | (1,151) | (604) |
| Carrying value at end of period | 300 | 1,451 |

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12 Creditors

Creditors solely comprise deferred income relating to section contributions and grant awards. Movements in the period are as follows:

| | 31 Dec 11 | 31 Mar 11 |
|--|------------|-----------|
| | £'000 | £'000 |
| Deferred income at start of period | 46 | 255 |
| Cash receipts | 7,850 | 9,155 |
| Income released to Statement of Financial Activities | (7,777) | (9,364) |
| Deferred income balance at end of period | 119 | 46 |

13 Restricted Funds

| | 1 Apr 11 | Income | Expenditure | 31 Dec 11 |
|--|------------|------------|--------------|-----------|
| | £'000 | £'000 | £'000 | £'000 |
| AI UK | 99 | - | (19) | 80 |
| Department for International Development | - | 743 | (743) | - |
| AI Canada | 9 | - | - | 9 |
| | 108 | 743 | (762) | 89 |

AI UK

The Charity received funds from AI UK in previous years to fund its economic and social relations project.

Department for International Development (DfID)

The Charity received a grant of £743,000 (being part of a four year award) from the DfID during the period. This grant is restricted as it may only be used by the Charity in support of its human rights education work in Africa.

AI Canada

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

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14 Cash Flow Information

Reconciliation of net cash flow to movement in net funds

| | 9 months ended 31 Dec 11 £'000 | Year ended 31 Mar 11 £'000 |
|--|---|-------------------------------------|
| Increase / (decrease) in cash in the period | 924 | (15) |
| Cash outflow from decrease in liquid resources | (1,151) | (604) |
| Movement in net funds resulting from cash flows | (227) | (619) |
| Net funds at start of period | 1,456 | 2,075 |
| Net funds at end of period | 1,229 | 1,456 |

Analysis of net funds

| | 1 Apr 11 £'000 | Cash Flow £'000 | 31 Dec 11 £'000 |
|--------------------------|-------------------|--------------------|--------------------|
| Cash at bank and in hand | 5 | 924 | 929 |
| Liquid resources | 1,451 | (1,151) | 300 |
| | 1,456 | (227) | 1,229 |

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

15 Analysis of Net Assets between Funds

| | Unrestricted Fund £'000 | Restricted Fund £'000 | Total 31 Dec 11 £'000 |
|---|-------------------------------|-----------------------------|-----------------------------|
| Current assets | | | |
| Debtors | 322 | | 322 |
| Short term investments | 211 | 89 | 300 |
| Cash at bank and in hand | 929 | | 929 |
| | 1,462 | 89 | 1,551 |
| Creditors: amounts falling due within one year | (119) | - | (119) |
| Net current assets and net assets | 1,343 | 89 | 1,432 |
| Total funds as at 31 December 2011 | 1,343 | 89 | 1,432 |

16 Related Party Transactions

As described in the report of the directors, the Charity is funded by Amnesty International Limited, Amnesty International UK Section Charitable Trust, Amnesty International Canadian Section (English Speaking) and Amnistie Internationale, Section Canadienne Francophone. The amounts involved are disclosed in notes 3 and 13.

