

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

## **Amnesty International Limited**

*(a company limited by guarantee)*

### **Report and financial statements for the year ended 31 March 2011**

*Company No: 1606776*

*AI Index: FIN 40/006/2011*

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## **Legal and Administrative details**

<b>Directors:</b>	Pietro Antonioli Rune Arctander (appointed 19 August 2011) Nicole Bieske (appointed 19 August 2011) Euntae Go Zuzanna Kulinska (appointed 19 August 2011) Sandra Lutchman (appointed 19 August 2011) Guadalupe Rivas Bernard Sintobin Julio Torales
<b>Company Secretary:</b>	Nick Williams
<b>Secretary General</b>	Salil Shetty (appointed 1 July 2010)
<b>Address and Registered Office:</b>	1 Easton Street London WC1X 0DW
<b>Company Registration Number:</b>	1606776
<b>Date of incorporation:</b>	6 January 1982
<b>Constitution:</b>	Company limited by guarantee, with memorandum and articles of association.
<b>Solicitors:</b>	Bates Wells and Braithwaite 2-6 Cannon Street London EC4M 6YH
<b>Bankers:</b>	HSBC Bank plc 74 Goswell Road London EC1V 7DA
<b>Auditors:</b>	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH

## **Report of the Directors for the year ended 31 March 2011**

The Directors present their annual report on the affairs of the Group, together with the financial statements and auditors' report for the year ended 31 March 2011. The Group consists of Amnesty International Limited and its subsidiaries, details of which are provided in note 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.

### **2. Organization Structure**

The Amnesty International International Secretariat (IS) 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 other sections in specific countries as necessary. The work of the IS is undertaken through two United Kingdom registered companies: Amnesty International Limited ("the Company") and Amnesty International Charity Limited (AICL). A third UK registered company, Amnesty Human Rights Foundation Limited (AHRFL), is due to be struck off in the period ended 31 December 2011 following a period of inactivity.

Amnesty International Limited was incorporated on 6 January 1982. Activities it undertakes include:

- undertaking and commissioning research into the maintenance and observance of human rights and publishing the results of such research which incorporates membership recruitment, human rights education and human rights activism growth activities;
- Providing relief to needy victims of breaches of human rights and working to procure the abolition of torture, extrajudicial execution and disappearance.
- Any activity 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.

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Such activities principally comprise campaigns undertaken with a view to influencing actions taken by sovereign governments.

The Company is commissioned by AICL to carry out charitable activities on its behalf under the terms of the memorandum of agreement first signed in June 1992. A revised memorandum of agreement was signed in May 2010 to clarify the scope of activities which fall under this commission. Under this agreement the Charity reimburses the Company for carrying out the commissioned work to such extent as the directors of the Charity may determine.

During the year the Company donated £57,000 (2010: £51,000) to the Charity under the Gift Aid scheme. In addition it donated free of charge to the Charity work that cost the Company £2,253,000 (2010: £11,636,000).

### **3. Offices overseas**

The Company carries out some operations through a number of overseas offices that it controls as branches. These are located in Beirut, Dakar, Geneva, Hong Kong, Kampala, Moscow, Nairobi, New York and Paris. The office in Hong Kong, (Amnesty International Asia-Pacific Regional Office Limited), is a subsidiary.

The Company also makes payments to two international language resource entities, one in France and one in Spain. Centre de Ressources Linguistiques d'Amnesty International - Unité Chargé de la Langue Française (AILRC-FR) is an association registered in France in 1986 which, following a restructure in January 2011, is now controlled by the Company. Editorial Amnistía Internacional, S.L. sociedad unipersonal, a company incorporated in Spain, was formed in 1986 and is a wholly owned subsidiary of the Company. Both entities translate and distribute Amnesty publications in the relevant language and form part of the wider Amnesty International Language Resource Centre.

Amnesty International Asia-Pacific Regional Office Limited, 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.

The Group comprises the Company and its wholly owned subsidiaries as described in Note 1 to the accounts.

### **4. Principal risks and uncertainties**

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

An inventory of risks was prepared in 2009, which provides input into the development of an integrated current risk management approach.

The key risks affecting the Group are set out below:

#### **Reputational risk**

Unauthorised use of the name or logo trademarks of Amnesty International could seriously impact the Group's reputation. Following the appointment of in-house legal counsel in May 2009, significant progress has been made in the ongoing project to improve the global protection of Amnesty International's trademarks.

The project has two aims (i) to transfer the ownership of the marks to Amnesty International Limited so that they can be managed and monitored centrally; and (ii) to ensure that Amnesty's trademarks are protected in the key jurisdictions where Amnesty operates.

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**Employee protection risk**

Due to the nature of the Group's activities there exists the risk of physical harm or detention of AI staff, consultants, volunteers and local partners or sources. To mitigate this risk, security and risk assessments are prepared and approved for every traveller undertaking research and mission work. Hostile environment training for staff is provided to all staff undertaking such activities.

**Libel risk**

There exists the risk of libel or defamation action being taken against the Group arising from publication content (including Amnesty owned or branded websites). Last year the Group appointed a legal counsel to provide a focal point for advice and legal support in the context of libel and defamation risks arising out of the Group's work, involving external lawyers where necessary.

**Financial risks**

The Directors believe that the Group does not have any significant exposure to price or credit financial risks.

The Group's exposure to liquidity risk arises from potential non-payment of assessment income from AI Sections. This risk is mitigated by regular communication with late-paying Sections, and a prudent policy on providing against doubtful debts.

The Group's exposure to the financial risks of changes in foreign currency exchange rates (cash flow risk) arising from the receipt of contributions from sections in foreign currencies represents a material risk. Forward hedging contracts are entered into in order to fix transaction exchange rates going forward for 12 months. The exact percentage of contracts entered into as a percentage of total income varies depending on the amount of natural hedging which can be achieved against payments in matching currencies and the extent to which the timing of receipts is reliable. No speculative foreign exchange instruments are employed, but rather only those whose costs are known.

**5. Governance**

The Company is limited by guarantee and does not have share capital. The members (guarantors) are the elected members of the International Executive Committee (IEC), of Amnesty International, individuals who are elected by representatives of the country sections of Amnesty International for a four year term at the biennial International Council Meeting.

The governing documents of the Company are its Memorandum and Articles of Association. Amended governing documents were adopted on 7 February 2010 by members' written resolution. The purposes of the amendments were to (a) include provisions for improved governance and the efficient functioning of the new board of directors (see below); (b) include changes to UK company law since 1982 by adding modern forms of communication and decision making; and (c) reflect changes which have been implemented in the organisation since 1982.

**6. Management**

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

The activities of the Company are managed by the Secretary General, Salil Shetty, supported by a senior management team of six people and approximately 500 staff.

**7. Financial Review**

The results for the Group show net incoming resources after other recognised gains and losses of £8,131,000 (2010:£493,000)

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The Group is principally funded by contributions from country sections as assessed by the International Council. Incoming resources have increased in total to £51,491,000 (2010: £46,222,000) due to a significant increase in assessment contributions from sections (largely due to favourable exchange rate movements) of £2,468,000, and an increase in additional voluntary contribution from sections of £2,475,000.

Total resources expended have decreased to £43,430,000 (2010: £44,967,000), mainly attributable to the decrease in costs of activities in furtherance of the Group's objectives of £985,000, and the decrease in governance costs of £476,000. This decrease in governance cost is largely due to the biennial ICM not taking place in the current year. Please refer to note 5 for further details.

The Group has net current assets of £7,416,000 as at 31 March 2011 (2010: £1,396,000). The Group has unrestricted funds totalling £17,776,000 at the balance sheet date (2010: £9,794,000).

Net cash inflow from operating activities for 2011 was £3,680,000 (2010: £2,428,000). The Group has net funds of £7,069,000 as at 31 March 2011 (2010: £2,640,000).

Significant progress has been made in the current financial year on AI's human rights objectives and on the strategic global goals for the period. The board monitors progress of the Group's human rights activities and financial performance by reference to, amongst other indicators, the following financial and non-financial key performance indicators.

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

		<b>2011</b>	<b>2010</b>
Total voluntary income	<b>{1}</b>	£50,968,000	£45,961,000
Net current assets	<b>{2}</b>	£7,416,000	£1,396,000

- {1}** Increase in total voluntary income is due to the increase in contributions from sections payable to the Group arising from past growth of the national sections and positive exchange variances.
- {2}** The movement in net current assets is due both to an increase in cash at bank and debtors, and a significant reduction in creditors.

## **8. Activities during the year – Achievement and Performance**

In a short report of this nature it is not possible to detail in its entirety the volume and variety of initiatives undertaken around the world by the Company during the year ended 31 March 2011. This report provides a brief overview of the Company's work in the period while more detailed information on the work of AI for the year ended 31 December 2010 is available in the Amnesty International Report 2011, from AI Sections and on the website: [www.amnesty.org](http://www.amnesty.org).

The ability of the Company 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**: campaign for accountability, access and active participation across four themes - Maternal Mortality, Corporate Accountability, Slums and Legal Enforcement.
- **No Security Without Human Rights**: target governments who resort to unlawful forms of detention in the name of countering terrorism or on other "national security" grounds.

## **Report of the Directors - continued**

- **Make International Justice Real:** campaign for law reform in a number of countries to address impunity, and promote recognition of International Justice standards including the Rome Statute of the International Criminal Court.
- **Global Action for Abolition of the Death Penalty:** campaign and lobby for a global moratorium on the Death Penalty, with specific focus in the year on the USA, China, Belarus, Mongolia, Iran and Saudi Arabia.
- **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.

## **9. Fundraising**

The Directors are pleased to acknowledge the support of the Caipirinha Foundation, the John D. and Catherine T. MacArthur Foundation, the Oak Foundation, Open Society Georgia Foundation, the Dutch Postcode Lottery, the Sabra K. Drohan Trust and the Stichting Adessium Foundation, from whom funds were received during the year. Details of how these and other restricted funds have been spent can be found in Note 22 to the accounts.

## **10. Plans for the future period**

The Amnesty International Operational Plan for the two years ended 31 March 2012 was approved by the International Executive Committee (IEC) in March 2010. This plans for the work of the IS including that of the Charity which will continue to fund a proportion of the charitable objectives that arise.

At the request of the IEC, and in order to maintain and increase AI presence in the Global South and East where it may otherwise be at risk, the IS will continue to invest greater resources into opening local IS offices in the Global South and East and assisting with the management of some existing sections where necessary. Significantly greater investment is envisaged by Amnesty International in Brazil, Russia, India, China and Africa (BRICS).

In June 2011, Amnesty was chosen as the beneficiary for the NRK telethon in Norway, which takes place in October 2012. The net surplus from this telethon will be made available to AI from 1 January 2013 and is expected to be in the region of £10 million which must be spent over the period 2013-2017.

## **11. Volunteers**

Volunteers and interns continue to make a significant contribution towards Amnesty's global objectives. Volunteers commit to work 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 financial year ended 31 March 2011, there were on average 50 volunteers and interns working at the IS. This was the equivalent of 142 days per week, or 28.5 full time staff.

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

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Our volunteers' backgrounds are varied and enable our staff to benefit from a diverse range of supporters composed principally of university students, as well as active and retired professionals.

## **12. Reserves policy**

The Company has and will maintain a level of reserves sufficient to enable it to meet the requirements of its bankers to support its borrowing facilities and to meet potential shortfalls in income or to mitigate the impact of the defined benefit pension scheme actuarial losses. Income can be affected among others by adverse movements in exchange rates or by non-payment of section contributions.

The Company is currently undergoing a review of its long-term reserves policy. In the interim period, its reserves practice is to retain free unrestricted reserves of at least 3 months' expenditure. At 31 March 2011, free unrestricted funds of £17,776,000 represent almost 5 month's expenditure. This excess of reserves is being held to fund development in the Global South and East. There is also a designated fund of £5,280,000 that is held to offset the defined benefit pension deficit. The Company will continue to review the level of reserves available and the appropriateness of the policy. Reserves in subsidiary entities are not material and are not considered in setting the reserves policy.

## **13. Going concern**

We have set out above a review of financial performance and the Company'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 Company's ability to continue. The accounts have therefore been prepared on the basis that the Company is a going concern.

## **14. Investment policy**

The Company does not yet have a formal investment policy, however, it does maintain a detailed twelve-month cash flow forecast to ensure there is adequate working capital for both operational and investment requirements. Excess cash is held in money market call accounts.

## **15. Grant making policy**

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

## **16. Pension fund**

The FRS 17 valuation of the AIL defined benefit pension scheme as at 31 March 2011 supplied by AIL's actuaries showed a deficit figure of £5,280,000 (2010: £6,958,000).

This net deficit is a statement of the transient situation as at 31 March 2011 and the Directors recognise that this can swing notably in response to market factors and actuarial assumptions made.

A full actuarial valuation was carried out as at 30 September 2008 which revealed a funding shortfall of £10,226,000 (2005: £10,283,000). As a result of the previous valuation undertaken in September 2005 an agreement has been reached with the trustees for the Company to make additional contributions from April 2007 of £900,000 a year, increasing at 5% per year, to eliminate this shortfall. The last payment under this agreement will be due on 1 October 2018.

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

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

Peter Pack (Chair) (resigned 19 August 2011)  
Pietro Antonioli (acting Chair from 19 August 2011)  
Euntae Go  
Louis Mendy (resigned 19 August 2011)  
Christine Pamp (resigned 19 August 2011)  
Vanushi Rajanayagam (resigned 19 August 2011)  
Guadalupe Rivas  
Bernard Sintobin  
Julio Torales

## **18. Company Secretary**

In September 2010, Nick Williams was appointed to replace George Macfarlane as Company Secretary.

## **19. Employment of disabled persons**

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

## **20. Employee involvement**

The Company provides internal written updates on activities and there are also frequent staff information and consultative meetings. Staff are also invited to presentations on the financial performance of the Group which also address how economic factors have impacted on the Group's performance.

## **21. Public benefit**

Amnesty International Limited is a not for profit organisation whose activities, whilst not exclusively charitable, are intended to be for the public benefit. In setting our objectives and planning our activities Amnesty International Limited's directors have, on a voluntary basis, given careful consideration to the Charity Commission's general guidance on public benefit.

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

The directors are responsible for preparing 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 company and 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;

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- 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.

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.

### **23. 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

P Antonioli  
Director

24 September 2011

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMNESTY INTERNATIONAL LIMITED**

We have audited the group and parent company financial statements (the "financial statements") of Amnesty International Limited for the year ended 31 March 2011 which are set out on pages 17 to 39. These financial statements have been prepared under the accounting policies set out therein.

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.

### **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 the financial statements in accordance with relevant legal and regulatory requirements 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 group and 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 Report of the Directors 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 group's and the parent company's affairs as at 31 March 2011 and of its profit 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in 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:

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- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements of the company 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, UK.

1 November 2011

## Consolidated Statement of Financial Activities (Incorporating an Income and Expenditure Account) For the year ended 31 March 2011

		Unrestricted Funds 2011 £'000	Restricted Funds 2011 £'000	Total Funds 2011 £'000	Total Funds 2010 £'000
	<b>Notes</b>				
<b>Incoming resources</b>					
Voluntary income	4	38,779	12,189	50,968	45,961
Activities for generating funds		483	-	483	203
Investment income		40	-	40	58
<b>Total incoming resources</b>		<b>39,302</b>	<b>12,189</b>	<b>51,491</b>	<b>46,222</b>
<b>Resources expended</b>					
Cost of generating funds	5	1,322	-	1,322	1,398
Costs of activities in furtherance of the Group's objectives	5	29,216	12,040	41,256	42,065
Governance costs	5	1,028	-	1,028	1,504
<b>Total resources expended</b>		<b>31,566</b>	<b>12,040</b>	<b>43,606</b>	<b>44,967</b>
<b>Net incoming resources before other recognised gains and losses</b>		<b>7,736</b>	<b>149</b>	<b>7,885</b>	<b>1,255</b>
Currency translation differences		(19)	-	(19)	(4)
Actuarial gains / (losses)	11	265	-	265	(758)
<b>Net incoming resources</b>		<b>7,982</b>	<b>149</b>	<b>8,131</b>	<b>493</b>
Fund balances brought forward at 1 April		<b>9,794</b>	<b>884</b>	<b>10,678</b>	<b>10,185</b>
<b>Fund balances carried forward at 31 March</b>		<b>17,776</b>	<b>1,033</b>	<b>18,809</b>	<b>10,678</b>

All activities are continuing.

There is no difference between the results for the year 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 notes on pages 17 to 39 form part of these financial statements.

## Balance sheet of As at 31 March 2011

Company No: 1606776

	Notes	Group 2011 £'000	2010 £'000	Company 2011 £'000	2010 £'000
<b>Fixed assets</b>					
Tangible assets	14	19,284	20,073	18,849	19,605
Investments	15,16	1	1	21	21
<b>Total fixed assets</b>		<b>19,285</b>	<b>20,074</b>	<b>18,870</b>	<b>19,626</b>
<b>Current assets</b>					
Stocks	17	15	10	-	-
Debtors: amounts falling due after one year	18	864	1,150	864	1,150
Debtors: amounts falling due within one year	18	3,643	2,617	3,510	2,363
Cash at bank and in hand		7,123	5,474	6,871	5,359
<b>Total Current Assets</b>		<b>11,645</b>	<b>9,251</b>	<b>11,244</b>	<b>8,872</b>
Creditors: amounts falling within one year	19	(4,229)	(7,855)	(4,122)	(7,648)
<b>Net current assets/(liabilities)</b>		<b>7,416</b>	<b>1,396</b>	<b>7,122</b>	<b>1,224</b>
<b>Total assets less current liabilities</b>		<b>26,701</b>	<b>21,470</b>	<b>25,992</b>	<b>20,850</b>
Creditors: amounts falling due after more than one year	20	(1,358)	(2,654)	(1,353)	(2,642)
<b>Provisions for liabilities and charges</b>					
Provisions	21	(1,254)	(1,180)	(1,254)	(1,180)
Defined benefit pension scheme liability	11	(5,280)	(6,958)	(5,280)	(6,958)
<b>Net assets</b>		<b>18,809</b>	<b>10,678</b>	<b>18,105</b>	<b>10,070</b>
<b>Funds:</b>					
Unrestricted funds excluding pension liability	22	23,056	16,752	22,441	16,287
Pension Reserve		(5,280)	(6,958)	(5,280)	(6,958)
<b>Total unrestricted funds</b>		<b>17,776</b>	<b>9,794</b>	<b>17,161</b>	<b>9,329</b>
<b>Restricted funds</b>		<b>1,033</b>	<b>884</b>	<b>944</b>	<b>741</b>
<b>Total funds</b>		<b>18,809</b>	<b>10,678</b>	<b>18,105</b>	<b>10,070</b>

Approved by the board of directors on 24 September 2011 and signed on its behalf by:

P Antonioli  
Director

The notes on pages 17 to 39 form part of these financial statements.

## Consolidated Cash Flow Statement For the year ended 31 March 2011

	Notes	2011 £'000	2010 £'000
<b>Net cash inflows from operating activities</b>	26	<b>3,680</b>	<b>2,428</b>
<b>Return on investment and servicing of finance</b>			
Interest received		40	58
Interest paid		(113)	(212)
Interest element of finance lease rental payments		(16)	(104)
<b>Net cash outflow from returns on investments and servicing of finance</b>		<b>(89)</b>	<b>(258)</b>
<b>Taxation</b>		<b>(63)</b>	<b>(27)</b>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(462)	(397)
Receipt of insurance bond		148	706
<b>Net cash (outflow) / inflow from capital expenditure and financial investments</b>		<b>(314)</b>	<b>309</b>
<b>Net cash inflow before financing</b>		<b>3,214</b>	<b>2,452</b>
<b>Financing</b>			
Capital element of finance lease rental payments		(59)	(448)
Repayments of borrowings		(1,506)	(1,205)
<b>Net cash outflow from financing</b>		<b>(1,565)</b>	<b>(1,653)</b>
<b>Increase in cash and cash equivalents</b>	26	<b>1,649</b>	<b>799</b>

The notes on pages 17 to 39 form part of these financial statements.

## **Notes to the financial statements**

### **For the year ended 31 March 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, 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 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 Editorial Amnistía Internacional, S.L. sociedad unipersonal (EDAI), Amnesty International Asia-Pacific Regional Office Limited (AIAPROL) and Amnesty Human Rights Foundation Limited (AHRFL) have been consolidated into these Group financial statements. The subsidiaries have 31 March year-ends with the exception of EDAI which is legally required to have a 31 December year end under Spanish law and is consolidated as at that date as the difference is not material to these statements.

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, Nairobi, Beirut and Moscow. These 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 all 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. The Company’s net incoming resources for the current financial year totalled £7,818,000 (2010: £600,000).

## 2 Accounting policies

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

### **Fund accounting**

The Company 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 Company. 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**

#### *Contributions from Sections*

This income is calculated by the Group in the year following its receipt by Sections. The determination of the share is based on a scale of contribution rates (in £ sterling) set at the International Council Meeting (ICM) of Amnesty International.

Contributions from sections are payable quarterly in advance and are treated as deferred income and included in the balance sheet as a liability until released to income in the period to which they relate.

Provisions are made against unpaid contributions which sections have stated they may not be able to meet. The movement in the provision during the year is offset against the income assessed on the Sections.

Additional voluntary contributions from sections are accounted for as income in the period to which they relate.

#### *Donations and bequests*

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

#### *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 throughout the world and is accounted for on an accruals basis.

### **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 company 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 with the exception of grants. Support costs have been allocated to grant making activities based upon the ratio of grant expenditure to total grant and activity expenditure.

## 2 Accounting policies - continued

**Cost of generating funds** comprise:

1. Costs incurred by the Company relating to the submission of funding proposals (including letters of interest, concept notes and full proposals) to grant giving bodies and support provided to AI sections for their own fundraising applications
2. Costs incurred by EDAI relating to the purchase of merchandise and other supplies for fundraising trading purposes

**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
  - **Abolition of torture, extrajudicial execution and disappearance** which represents costs incurred in campaigning to hold governments accountable for their actions and to uphold international law and the absolute prohibition of torture, extrajudicial execution and disappearance under any circumstances.
2. 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**.

**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. AIL 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 AI Country Sections 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 £500 (2010: £200) are written off in the year 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.

## 2 Accounting policies - continued

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 cost less provision for impairment.

### Provisions

A provision is recognised in the balance sheet when the Group or the Company has 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 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 received and held in Amnesty International bank accounts. As such the net gain or loss is included within incoming resources in the Statement of Financial Activities.

The results of overseas subsidiaries are translated at the average rates of exchange during the year 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 other gains and losses before net incoming/(outgoing) resources.

### Forward exchange contracts

Amnesty International has entered into forward exchange contracts with HSBC during the year to hedge forward currency exposure on future income from sections. Forward currency exchanges made under these contracts are recorded at the specified rate at the time of the transaction.

### Relief Funds

The Company receives sums of money which are given for the purposes of providing relief. The Company is responsible for the administration and disbursement of these funds on behalf of the worldwide movement. Funds not yet applied to relief are held in separate bank accounts and are shown separately as a restricted fund.

## 2 Accounting policies - continued

### Pension costs

Amnesty International Limited 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 year 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.

### Lennartz VAT

Following the 1991 European Court case of Lennartz, when VAT is incurred on the purchase of an asset for mixed business and non-business use, the VAT attributable to the non-business use can be recovered in full and then output tax on the ongoing non-business use is repaid over up to ten years. Following an adverse change in the VAT rate payable, the Company repaid its outstanding Lennartz VAT creditor in full this year.

## 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
<b>Voluntary income</b>	40,245	7,539	3,184	50,968

## 4 Voluntary income

	Unrestricted Funds 2011 £'000	Restricted Funds 2011 £'000	Total Funds 2011 £'000	Total Funds 2010 £'000
Contributions from sections	36,215	10,515	46,730	44,262
Additional voluntary contributions from sections	2,494	762	3,256	781
Donations and bequests	-	907	907	646
Other Income	70	5	75	272
<b>Total voluntary income</b>	<b>38,779</b>	<b>12,189</b>	<b>50,968</b>	<b>45,961</b>

## 4 Voluntary income (continued)

Contributions from Sections is stated having made provisions against income of £4,355,000. Assessment contributions from AI UK, AI Canada (English) and AI Canada (French) are made directly to Amnesty International Charity Limited and subsequently a grant is made to Amnesty International Limited for charitable activities. These contributions are included within the disclosure on "Contributions from Sections" to reflect the substance of the transaction.

## 5 Resources expended

	Notes	Grants payable Note 6 2011 £'000	Direct costs 2011 £'000	Support costs Note 7 2011 £'000	Total Funds 2011 £'000	Total Funds 2010 £'000
<b>Cost of generating funds</b>						
Trust and foundations grant fundraising		-	952	307	1,259	1,371
Taxation		-	63	-	63	27
<b>Total cost of generating funds</b>		-	<b>1,015</b>	<b>307</b>	<b>1,322</b>	<b>1,398</b>
<b>Cost of activities in furtherance of the Group's objectives</b>						
Research and publications		2,068	13,911	6,138	22,117	26,181
Abolition of torture		-	958	-	958	796
Campaigning		1,763	11,859	4,559	18,181	15,088
<b>Total activities</b>		<b>3,831</b>	<b>26,728</b>	<b>10,697</b>	<b>41,256</b>	<b>42,065</b>
Governance	8	-	814	214	1,028	1,504
<b>Total resources expended</b>		<b>3,831</b>	<b>28,557</b>	<b>11,218</b>	<b>43,606</b>	<b>44,967</b>

The Company makes grants to certain AI country 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.

Amnesty International Limited is liable to corporation tax on investment income received during the year. The Company pays all of this income to Amnesty International Charity Limited in the form of a donation under Gift Aid. EDAI is liable to tax on any surplus in accordance with Spanish tax law and paid £13,000 (2010: £22,000). A settlement was reached with HMRC during the year regarding payment of withholding tax on interest remitted to overseas AI Sections totalling £42,000. A further £8,000 of tax was recognised during the year in relation to prior accounting periods.

## 6 Grants

In the current and preceding financial years, the Company made grants to certain AI Sections, to be used by recipients to undertake research, publications and campaigning activities. During the year the company made 121 grants totalling £3,831,000 (2010: 107 grants totalling £3,986,000). At the balance sheet date, the Company had conditional grant commitments of £2,324,625 (2010: £2,157,821). Details of individual grants are available from the Company's registered office.

## 7 Support Costs

	Activities	Fundraising	Governance	Total	Total
	2011	2011	2011	2011	2010
	£'000	£'000	£'000	£'000	£'000
Salaries and employment benefits	4,990	141	98	5,229	5,134
Occupancy costs	415	12	9	436	488
Professional fees	854	25	17	896	1,222
Publication costs	15	1	-	16	32
Information technology costs	368	11	8	387	482
Administration costs	1,664	49	34	1,747	1,700
Depreciation	986	29	20	1,035	1,190
Insurance	279	8	6	293	429
Other costs	1,126	31	22	1,179	1,866
	<b>10,697</b>	<b>307</b>	<b>214</b>	<b>11,218</b>	<b>12,543</b>

Support costs include premises, communication, information technology and other general running and management costs of the Company. The support costs are spread over the other categories in proportion to the number of staff engaged in each area.

## 8 Governance Costs

	2011	2010
	£'000	£'000
Salaries and employment benefits	433	441
Occupancy costs	9	7
Professional fees	52	264
Publication costs	91	76
Information technology costs	8	5
Administration costs	378	648
Other costs	57	63
	<b>1,028</b>	<b>1,504</b>

Governance costs consist of the costs of the operation of the International Executive Committee 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 Donations to Amnesty International Charity Limited

As indicated in the report of the Directors, the activities of Amnesty International Charity Limited are mostly undertaken on its behalf by the Company. Amnesty International Charity Limited reimburses the Company for carrying on the commissioned work to such extent as the directors of Amnesty International Charity Limited may determine in accordance with an agreement first signed in June 1992, and receives the balance as a donation. The Company's directors consider that the services which it has donated to Amnesty International Charity Limited are consistent with the aims of the Company.

The Company provided services to the Charity to the value of £12,773,184 (2010:£21,901,000) which includes £2,253,010 (2010: £11,636,000) of costs for work done on behalf of the Charity for which it was not reimbursed and is therefore gifted to the Charity.

## 10 Employees and Directors

Group employee costs (including director's emoluments) during the year amounted to:

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Salaries	20,916	18,974
Social security costs	2,164	2,129
Employer Pension Contributions	1,792	1,873
Staff recruitment, training and welfare	713	672
	<b>25,585</b>	<b>23,648</b>

The average number of persons employed by the Group during the year was 503 (2010: 474).

	<b>2011</b>	<b>2010</b>
Fundraising	12	10
Research	224	194
Campaigning	168	176
Governance	8	12
Support	91	82
	<b>503</b>	<b>474</b>

The allocation of staff to categories of activity has been reviewed and only staff working within operational support areas have been allocated to "Support".

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

	<b>2011</b>	<b>2010</b>
£ 60,000 - 70,000	21	3
£ 70,000 - 80,000	3	1
£ 80,000 - 90,000	2	4
£ 90,000 - 100,000	3	-
£100,000 - 110,000	1	-
£120,000 - 130,000	2	-
£130,000 - 140,000	-	1
£150,000 - 160,000	1	-
£160,000 - 170,000	2	-
£170,000 - 180,000	1	-
£320,000 - 330,000	-	1
£530,000 - 540,000	-	1

The number of staff earning greater than £60,000 has increased substantially since the previous year as a result of pay increases linked directly to the Retail Prices Index (RPI) in the countries in which employees work. Adverse foreign exchange movements on the Euro and the Swiss Franc have also resulted in a number of overseas salaries now exceeding £60,000. Of the seven staff paid more than £100,000 in the year, five relate to staff departing due to organizational restructuring.

The aggregate value of company contributions paid to the pension scheme in respect of the staff disclosed in the above table amounted to £271,122.

The directors of the company received no remuneration for their services (2010: £1,239,000). The aggregate value of company contributions paid to the pension scheme in respect of Directors' qualifying services was £Nil (2010: £126,778), and no director is accruing benefits under the defined contribution scheme (2010: 1). No directors are accruing benefits in relation to the previous defined benefit scheme (2010: none). The reduction in remuneration of the directors resulted from the director positions now being filled on a voluntary basis rather than by senior employees.

## **10 Employees and Directors (continued)**

### **Transactions with Directors**

The Directors incurred £49,980 (2010: £6,718) in travel related expenditure. The sum of £2,692 (2010: £1,947) was paid to the Adams' Grammar School for the services of Mr Peter Pack, the chairman of the IEC. Other than the above expenditure, there were no transactions with directors in the year and no director has any loan amounts outstanding to the company.

## **11 Pension arrangements**

The Company operates a pension scheme, the Amnesty International Superannuation Scheme (AISS, the Scheme). The Scheme comprises two sections. The first section contains all employees who were not members of the previous defined benefit scheme and the Company contributes to it 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. 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.

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. Current contributions are allocated to members on a money purchase basis.

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 March 2009, 2010 and 2011 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 pension cost for the defined benefit scheme was £176,000 (2010: £421,000). 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 period, 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 schemes 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:

## 11 Pension arrangements – continued

	At 31/3/2011	At 31/3/2010	At 31/3/2009
	%	%	%
Rate of increase to guaranteed pensions in payment	2.50	3.00	3.00
Rate of increase of deferred pensions	5.00	5.00	5.00
Discount rate	5.50	5.50	6.70
Inflation assumption	2.80	3.60	3.00
Life expectancy	S1 tables projected by year of birth using the medium cohort and a 1% pa underpin to future improvements	S1 tables projected by year of birth using the medium cohort and a 1% pa underpin to future improvements	S1 tables projected by year of birth using the medium cohort and a 1% pa underpin to future improvements

The amounts recognised in the balance sheet and the expected rates of return for scheme assets under this valuation were:

	Expected long-term rate of return at 31/3/2011	Fair value of assets at 31/3/2011 £'000	Expected long-term rate of return at 31/3/2010	Fair value of assets at 31/3/2010 £'000	Expected long-term rate of return at 31/3/2009	Fair value of assets at 31/3/2009 £'000
Equities (incl property)	7.50%	10,741	7.50%	8,814	7.50%	5,769
Bonds (incl cash)	4.75%	3,318	4.75%	2,997	5.00%	2,226
Total fair value of assets		14,059		11,811		7,995
Present value of scheme liabilities		(19,339)		(18,769)		(14,766)
Deficit in the scheme		(5,280)		(6,958)		(6,771)
<i>Amounts in the balance sheet</i>						
Liabilities		(5,280)		(6,958)		(6,771)
Assets		-		-		-
Net liability		(5,280)		(6,958)		(6,771)

Scheme assets are taken at bid-value as at 31 March 2011, 2010 and 2009, and mid-value for earlier years.

## 11 Pension arrangements – continued

### Effect on the Consolidated Statement of Financial Activities

The effect on the Consolidated Statement of Financial Activities for the year to 31 March 2011 was as follows:

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Expected return on pension scheme assets	850	561
Interest on pension scheme liabilities	(1,026)	(982)
Total amount charged within net incoming / (outgoing) resources	(176)	(421)
Actuarial gain/(loss)	265	(758)
Total amount (charged)/credited to the Statement of Financial Activities	<b>89</b>	<b>(1,179)</b>

The cumulative total of recognised actuarial gains and losses is £6,919,000 as at 31 March 2011 (2010: £7,184,000)

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

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Actual return less expected return on pension scheme assets	31	2,491
Changes in assumptions underlying the present value of the scheme liabilities	234	(3,249)
Actuarial gain/(loss) recognised	<b>265</b>	<b>(758)</b>

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

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Opening fair value of scheme assets	11,811	7,995
Expected return	850	561
Actuarial gain	31	2,491
Additional Employer contributions	1,589	992
Benefits paid	(222)	(228)
Fair value of scheme assets at the year end	<b>14,059</b>	<b>11,811</b>

The additional employer contributions during the accounting period amounted to £1,589,000 and the employer is currently expected to contribute £546,978 for the coming nine-month period.

## 11 Pension arrangements – continued

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

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Opening defined benefit obligation	(18,769)	(14,766)
Interest cost	(1,026)	(982)
Actuarial gain/(loss)	234	(3,249)
Benefits paid	222	228
<b>Defined benefit obligation at end of year</b>	<b>(19,339)</b>	<b>(18,769)</b>

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

	<b>2011</b>	<b>2010</b>
Equities (incl property)	76%	75%
Bonds (incl cash)	24%	25%
	<b>100%</b>	<b>100%</b>

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Actual return on the scheme assets in the year	881	3,052

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

The amounts for the current and previous periods are as follows:

	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Defined benefit obligation	(19,339)	(18,769)	(14,766)	(13,936)	(16,212)
Scheme assets	14,059	11,811	7,995	8,880	8,641
Deficit	(5,280)	(6,958)	(6,771)	(5,056)	(7,571)
Experience adjustments on scheme liabilities	234	(3,249)	23	3,030	1,042
Experience adjustments on scheme assets	31	2,491	(2,790)	(1,139)	397

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 £2,060,000 (2010: £2,197,000). Employer contributions outstanding at the year end totalled £192,000 (2010: £172,000).

## 12 Interest payable and similar charges

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Group interest payable and similar charges:		
on bank loans and overdrafts	113	212
on pension finance costs	176	421
on finance leases	16	104
	<b>305</b>	<b>737</b>

## 13 Net incoming / (outgoing) resources

The Group's net incoming/(outgoing) resources are arrived at after charging/(crediting):

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Depreciation of tangible fixed assets	1,049	1,179
Loss on disposal of tangible fixed assets	32	-
Foreign exchange (gains) / losses	(3,180)	1,023

## Auditors Remuneration

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Fees payable to the group's auditors for the audit of the group's annual accounts	64	75
Over-run fees payable to the group's auditors for the audit of prior year accounts	19	-
Fees payable to other auditors	8	14
Fees payable to the group's auditors for the audit of Amnesty International Charity Limited's annual accounts	13	13
<b>Total audit fees</b>	<b>104</b>	<b>102</b>
Other services	2	41
<b>Total non-audit fees</b>	<b>2</b>	<b>41</b>

## 14 Tangible fixed assets

Movements on the fixed assets during the year were:

Group	Freehold land and buildings £'000	Leasehold land and buildings £'000	Leasehold improve- ments £'000	Office furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>							
At 1 April 2010	23,397	279	44	4,423	2,647	36	30,826
Currency revaluation	-	(23)	-	-	-	-	(23)
Additions	112	-	-	5	345	-	462
Disposals/Insurance bond receipt	(152)	-	-	(16)	(472)	-	(640)
<b>At 31 March 2011</b>	<b>23,357</b>	<b>256</b>	<b>44</b>	<b>4,412</b>	<b>2,520</b>	<b>36</b>	<b>30,625</b>
<b>Depreciation</b>							
At 1 April 2010	(5,717)	(52)	(41)	(2,619)	(2,288)	(36)	(10,753)
Currency revaluation	-	-	-	-	-	-	-
Charge for the year	(316)	(6)	-	(403)	(323)	-	(1,048)
Disposals	-	-	-	-	460	-	460
<b>At 31 March 2011</b>	<b>(6,033)</b>	<b>(58)</b>	<b>(41)</b>	<b>(3,022)</b>	<b>(2,151)</b>	<b>(36)</b>	<b>(11,341)</b>
<b>Net book value</b>							
At 1 April 2010	17,680	227	3	1,804	359	-	20,073
<b>At 31 March 2011</b>	<b>17,324</b>	<b>198</b>	<b>3</b>	<b>1,390</b>	<b>369</b>	<b>-</b>	<b>19,284</b>

## 14 Tangible fixed assets (continued)

Company	Freehold land and buildings	Office furniture and equipment	Computer equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At beginning of year	23,035	4,361	2,589	36	30,021
Additions	112	3	340	-	455
Disposals/Insurance proceeds	(152)	(16)	(472)	-	(640)
<b>At 31st March 2011</b>	<b>22,995</b>	<b>4,348</b>	<b>2,457</b>	<b>36</b>	<b>29,836</b>
<b>Depreciation</b>					
At beginning of year	(5,593)	(2,569)	(2,219)	(36)	(10,417)
Charge for the year	(311)	(404)	(316)	-	(1,031)
Disposals	-	-	461	-	461
<b>At 31st March 2011</b>	<b>(5,904)</b>	<b>(2,973)</b>	<b>(2,074)</b>	<b>(36)</b>	<b>10,987</b>
<b>Net Book Value</b>					
At beginning of year	17,442	1,792	370	-	19,605
<b>At 31st March 2011</b>	<b>17,091</b>	<b>1,375</b>	<b>383</b>	<b>-</b>	<b>18,849</b>

## 15 Investments in Subsidiaries

Investments comprise:	Percentage ownership	Cost at 31/03/2011 £'000	Cost at 31/03/2010 £'000
Editorial Amnistía Internacional, (EDAI) S.L. sociedad unipersonal	100%	19	19
Amnesty International Asia- Pacific Regional Office Limited (AIAPROL)	100%	1	1
		<b>20</b>	<b>20</b>

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, 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.

Amnesty International Asia-Pacific Regional Office Limited, 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.

Amnesty Human Rights Foundation Limited (AHRFL) is a UK company limited by guarantee and thus there is no investment. However AHRFL is effectively controlled by Amnesty International Limited and is therefore treated as a subsidiary. The directors intend to strike off AHRFL in the next accounting period as it is non-trading.

## 15 Investments in Subsidiaries (continued)

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

	<b>Incoming Resources 2011 £'000</b>	<b>Resources Expended 2011 £'000</b>	<b>Other recognised gains / (losses) 2011 £'000</b>	<b>Net incoming / (outgoing) resources 2011 £'000</b>
EDAI	965	(911)	(23)	30
AIAPROL	476	(495)	5	(14)
AHRFL	-	(55)	-	(55)
		<b>Total assets 2011 £'000</b>	<b>Total liabilities 2011 £'000</b>	<b>Total Funds 2011 £'000</b>
EDAI		570	(129)	441
AIAPROL		253	(32)	221
AHRFL		288	(200)	88

## 16 Other investments

A participating interest of £1,116 is held in 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, AIL having no involvement in the strategic operating and financial policies of the organisation with all transactions being on a commercial basis.

## 17 Stock

	<b>Group</b>		<b>Company</b>	
	<b>2011 £'000</b>	<b>2010 £'000</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Finished goods	15	10	-	-

## 18 Debtors

Amounts shown as debtors falling due after one year comprise:

	<b>Group</b>		<b>Company</b>	
	<b>2011 £'000</b>	<b>2010 £'000</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Amounts due from Sections	864	1,150	864	1,150

## 18 Debtors (continued)

Amounts shown as debtors falling due within one year comprise:

	Group		Company	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Amount due from AHRFL	-	-	200	162
Amounts due from Sections	2,546	1,413	2,255	1,413
Other debtors	783	991	770	575
Prepayments and accrued income	314	213	285	213
	<b>3,643</b>	<b>2,617</b>	<b>3,510</b>	<b>2,363</b>

The amounts due from sections include loans to sections. 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 during 2016. Amounts due from Sections is stated net of provisions of £9,085,000.

## 19 Creditors: amounts falling due within one year

Amounts shown as creditors falling due within one year comprise:

	Group		Company	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Bank loans and overdrafts	7	1,199	-	1,180
Other loans (from Sections)	684	1,164	684	1,164
Trade creditors	596	951	578	816
Lennartz accounting VAT	-	169	-	169
Obligations under finance leases	55	59	55	59
Deferred contributions from Sections	1,616	2,033	1,616	2,033
Taxation and social security	36	586	36	533
Other creditors	367	310	283	310
Accruals	868	1,384	868	1,384
	<b>4,229</b>	<b>7,855</b>	<b>4,122</b>	<b>7,648</b>

The movement on the deferred contributions from Sections for both the Group and the Company is as follows:

	2011 £'000	2010 £'000
Deferred contributions from Sections balance at 1 April	<b>2,033</b>	<b>1,464</b>
Income received	47,942	45,344
Income released to statement of financial activities	(48,359)	(44,775)
Deferred contributions from Sections balance at 31 March	<b>1,616</b>	<b>2,033</b>

## 19 Creditors: amounts falling due within one year (continued)

EDAI has a mortgage with Banco Central Hispanoamericano, S.A. for the purchase of its offices. The €210,350 (£140,000) loan was taken out on 14 April 1999 for a period of 12 years. The loan liability as at 31 March 2011 totals £6,510 (2010:£25,811). Interest is payable at MIBOR (Madrid Interbank Offered Rate) plus 0.75%, revised on the anniversary of the loan and was 3.5% at the year end.

Up to 2008 a repayment of £1,747,000 was obtained in relation to the refurbishment of the buildings, under what are known as the Lennartz accounting rules. This VAT was repayable under self-supply over a ten year period ending 2018. However, following the change in VAT rate in January 2011 to 20%, the VAT creditor was settled in the year at the lower rate of 17.5%.

## 20 Creditors: amounts falling due after more than one year

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

	Group		Company	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Bank loans	5	307	-	295
Other loans (from Section)	1,353	1,247	1,353	1,247
Lennartz accounting VAT	-	1,046	-	1,046
Obligations under finance leases	-	54	-	54
	<b>1,358</b>	<b>2,654</b>	<b>1,353</b>	<b>2,642</b>

The interest rate on the Company's bank loan was 1.5% over the bank's Base Rate. The bank loan was repayable as follows at 31 March 2010, however the whole amount was settled in the year ended 31 March 2011. The outstanding group loan amounts relate to the mortgage in EDAI.

	Group		Company	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Within one year	7	1,199	-	1,180
Between two and five years	5	307	-	295
<b>Total bank loans and mortgages</b>	<b>12</b>	<b>1,506</b>	<b>-</b>	<b>1,475</b>

The loan from section is unsecured and interest bearing at a fixed rate. This rate was 3% until October 2011, at which point it was renegotiated to 2%. The loan is due for repayment in 2016.

## 21 Provisions

Group and Company	Restructuring £'000	Other £'000	Total £'000
At 1 April 2010	491	689	1,180
Charged / (Released) to the statement of financial activities	(64)	138	74
At 31 March 2011	<b>427</b>	<b>827</b>	<b>1,254</b>

### Restructuring Provision

The restructuring provision relates to employee severance costs, and 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 (£727,154) and back-dated salary reviews (£99,760). The holiday pay provision represents present obligations resulting from employees' services provided to the balance sheet date, calculated based upon remuneration rates that the Company expects to pay and which are expected to be settled within 12 months of the balance sheet date. The provision for salary reviews represents an estimate of back-dated pay rises resulting from likely outcomes of job grading reviews.

## 22 Share capital and funds

Group	Unrestricted funds £'000	Restricted funds £'000	Total £'000
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Fund balances at 31 March 2011 are represented by:

Fixed assets	19,285	-	19,285
Current assets	10,612	1,033	11,645
Current and long term liabilities and provisions	(6,841)	-	(6,841)
Pension liability	(5,280)	-	(5,280)
<b>Total net assets at 31 March 2011</b>	<b>17,776</b>	<b>1,033</b>	<b>18,809</b>

Company	Unrestricted funds £'000	Restricted funds £'000	Total £'000
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Fund balances at 31 March 2011 are represented by:

Fixed assets	18,870	-	18,870
Current assets	10,300	944	11,244
Current and long term liabilities and provisions	(6,729)	-	(6,729)
Pension liability	(5,280)	-	(5,280)
<b>Total net assets at 31 March 2011</b>	<b>17,161</b>	<b>944</b>	<b>18,105</b>

## 22 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:

	<b>1 April 2010</b>	<b>Income</b>	<b>Expenditure</b>	<b>31 March 2011</b>
American Jewish World Service	102	-	(64)	38
Caipirinha Foundation	-	6	(6)	-
Dutch Special Program on Africa	1	-	-	1
EuropeAid	237	-	(139)	98
Human Rights Defenders Placement Fund	10	-	-	10
Human Rights Foundation - Make Some Noise	143	-	(61)	82
Kampala Human Rights Defenders	(10)	5	5	-
MacArthur Foundation	22	-	(21)	1
MacArthur Grant 2010-2012	-	81	(49)	32
Mauro Tunes	167	-	(167)	-
Oak Foundation	-	12	(12)	-
Open Society Georgia Foundation	1	10	(11)	-
Postcode Lottery (AI Netherlands)	-	597	(394)	203
Sabra K. Drohan Trust	-	16	-	16
Stichting Adessium Foundation	-	143	(14)	129
Vanguard Charitable Endowment Pr	70	-	(57)	13
AI Charity	-	10,515	(10,515)	
AI European Institutions Office	-	53	(46)	7
AI France	101	358	(290)	169
AI Germany	-	5	(3)	2
AI Netherlands	34	203	(37)	200
AI Norway	2	35	(5)	32
AI Spain	4	134	(138)	-
AI Sweden	(6)	16	(10)	-
AI Switzerland	6	-	(6)	-
	<b>884</b>	<b>12,189</b>	<b>(12,040)</b>	<b>1,033</b>

#### American Jewish World Service

The group received funds from the American Jewish World Service during the previous year totalling £120,000. The fund is restricted to Amnesty International's Lesbian, Gay, Bisexual and Transgender programme.

#### Caipirinha Foundation

The group received a donation from the Caipirinha Foundation during the year totalling £6,000. The fund is restricted to Amnesty International's work on certain Middle East and North Africa human rights projects and specific "International Justice" work streams.

#### EuropeAid

The group received funds from EuropeAid during the previous year totalling £241,000. The fund is restricted to Amnesty International's Education for Human Dignity project which runs from 1 March 2010 to 28 February 2013.

## **22 Share capital and funds - continued**

### **Human Rights Foundation**

The group received funds from Amnesty Human Rights Foundation during the previous year totalling £244,000. The fund is restricted to the advancement of Amnesty International's Universal Declaration of Human Rights Campaign by lobbying for the speedy deployment of a peacekeeping force to Darfur and the funds and equipment to support the mission and the arrest of Sudanese officials indicted for war crimes by the International Criminal Court ("the Darfur Project").

### **Kampala Human Rights Defenders**

The group receives funds from various Amnesty International Sections to be used solely for provision of relief to needy victims of breaches of human rights. The fund balance was in deficit as at 31 March 2010 as resources expended in the prior year exceeded incoming resources. The deficit balance of the fund was recovered by income received in the current year.

### **MacArthur Foundation**

The group received funds from the MacArthur Foundation during the year totalling £81,000. The fund is restricted for projects on the protection and promotion of human rights in the Russian Federation.

### **Mauro Tunes**

The group received funds from Mauro Tunes during the previous year totalling £167,000. The fund is restricted to Amnesty International's programme of work on the Americas.

### **Oak Foundation**

The group received funds from the Oak Foundation during the year totalling £12,000. The fund is restricted to Amnesty International's work utilising satellite imagery and Geographic Information Systems (GIS) technology to document (civil and political) human rights crises in the global South.

### **Postcode Lottery (AI Netherlands)**

The group received funds from AI Netherlands during the year totalling £597,000. This represents the group's share of the funds granted from the Netherlands Postcode Lottery for the "Human Rights Live Here Now: Stopped Forced Evictions in Africa" project (jointly implemented by AI Netherlands and Amnesty International Limited).

### **Sabra K Drohan Trust**

The group received a legacy donation from the Sabra K Drohan Trust during the year totalling £16,000. The fund is restricted to Amnesty International's work against the torture, ill-treatment, forcible return and detention of non-nationals in Eurasia and against repression of dissent, specifically in Ukraine.

### **Stichting Adessium Foundation**

The group received a grant from Stichting Adessium (a foundation based in Rotterdam) during the year totalling £143,000. The fund is restricted to the development and strengthening of Amnesty International's China Programme. The grant is for the period 1 January 2011 to 31 December 2012.

### **Vanguard Charitable Endowment Program**

The group received funds from the Vanguard Charitable Endowment Program during the previous year totalling £70,000. The fund is restricted to Amnesty International's Discrimination in Europe programme, promoting and protecting lesbian, gay, bisexual and transgendered people's human rights.

### **AI Charity**

The group received funds from the Charity during this year for work performed by the Company on behalf of the Charity (see note 9). This fund is considered restricted as it may only be used to fund charitable activities.

## 22 Share capital and funds - continued

### AI European Institutions Office

The group received a grant from Amnesty International's European Institutions Office in Brussels (which coordinates and promotes lobbying of the European institutions) totalling £53,000 during the year. The fund is restricted to Amnesty International's "Discrimination in Europe" project.

### AI France

The group received funds from AI France during the year totalling £358,000. The fund is restricted to certain Amnesty International projects including, amongst others, the economic, social and cultural rights of Internally Displaced People in Georgia, Discrimination Against Palestinian Citizens of Israel, Corporate Accountability, Combating Human Rights Violations and Impunity in the North Caucasus and Freedom of Expression in Russia.

### AI Germany

The group received funds from the AI Germany Section during the year totalling £5,000. The fund is restricted to the work of the International Mobilisation Trust.

### AI Netherlands

The group received funds from AI Netherlands during the year totalling £203,000. The fund is restricted to certain Asia Network and Youth Projects.

### AI Norway

The group received funds from AI Norway during the year totalling £35,000. The fund is restricted to Maternal Mortality projects in Sierra Leone and Burkina Faso.

### AI Spain

The group received funds from AI Spain during the year totalling £134,000. The fund is restricted to the work of the International Mobilisation Trust.

### AI Sweden

The group received funds from AI Sweden during the year totalling £16,000. The fund is restricted to Human Rights Defenders projects.

### AI Switzerland

The group received funds from AI Switzerland in the year ended 31 March 2009 totalling £704,000 with the specific aim of assisting AI USA in its development. In addition, the fund is restricted to certain Amnesty International projects (Colombia Economic Actors and Zimbabwe Human Rights Defenders and Discrimination in Europe).

## 23 Finance leases

Finance lease commitments comprise obligations payable:

	Group		Company	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Within one year	55	59	55	59
Within two to five years	-	55	-	55
	<hr/> 55	<hr/> 114	<hr/> 55	<hr/> 114

## 24 Capital and other commitments

At 31 March 2011 the Group and Company had no commitments for future capital expenditure not already provided in the financial statements (2010: £Nil for Group and Company).

Amnesty has entered into nine forward exchange contracts during the year to hedge forward currency exposure on future programme expenditure. These contracts to purchase Sterling (GBP) using Euros (EUR) are each for one month at a €/GBP rate of 1.1190. At the balance sheet date a combined sale value of €12,600,000 remained on these nine contracts representing around 35% of forecast € income to December 2011. Security is required by the UK clearing counterparty for these contracts and is provided under an agreement renewed in 2009 on the freehold property held by the Company at Easton Street, London. This agreement allows Amnesty to hedge an element of its currency exposure through the use of forward exchange contracts, whilst not drawing on cash holdings to support collateral requirements.

## 25 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, the Amnesty International Charity Limited and the Company's subsidiaries on an arm's length basis. The transactions with Sections and the Amnesty International Charity 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.

## 26 Cash flow information

### Reconciliation of net movement in funds to net cash inflows from operating activities

	2011	2010
	£'000	£'000
Net movement in funds	8,131	493
Currency translation difference	23	16
Depreciation	1,049	1,179
Loss on disposal of fixed assets	32	-
(Increase) / decrease in stocks	(5)	12
(Increase) / decrease in debtors	(740)	1,038
Increase / (decrease) in creditors	(3,357)	(355)
Increase / (decrease) in provisions	74	(427)
Increase / (decrease) in pensions liability	(1,678)	187
Investment income	(40)	(58)
Interest payable	129	316
Taxation	63	27
<b>Net cash inflow from operating activities</b>	<b>3,680</b>	<b>2,428</b>

## 26 Cash flow information (continued)

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

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Increase in cash and cash equivalents in the year	1,649	809
Cash inflow from increase in debt and lease financing	2,768	1,755
<b>Movement in net funds</b>	<b>4,417</b>	<b>2,564</b>
<b>Net funds at 1 April</b>	<b>2,640</b>	<b>76</b>
<b>Net funds at 31 March</b>	<b>7,057</b>	<b>2,640</b>

### Analysis of net funds / (deficit)

	<b>2010</b>	<b>Cash flow</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash in hand, at bank	5,474	1,649	7,123
Debt due after one year	(1,353)	1,348	(5)
Debt due within one year	(1,368)	1,361	(7)
Finance leases due after one year	(54)	54	-
Finance leases due within one year	(59)	5	54
	<b>(2,834)</b>	<b>2,768</b>	<b>54</b>
<b>Net funds</b>	<b>2,640</b>	<b>4,417</b>	<b>7,057</b>