

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

## **Amnesty International Limited**

*(a company limited by guarantee)*

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

*Company No: 1606776*

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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
<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 period ended 31 December 2011**

The directors present their report on the affairs of the Group, together with the financial statements and auditors' report for the period 1 April - 31 December 2011. The Group consists of Amnesty International Limited and its subsidiaries, details of which are provided in note 1 to the financial statements.

### **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 Company has been changed to 31 December. To achieve this alignment, the Company's annual report and financial statements presented here are in respect of the nine month period 1 April 2011 – 31 December 2011.

### **2. 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.

### **3. 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), has been inactive in the period to 31 December 2011 and was struck off in April 2012.

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

### **Report of the Directors (continued)**

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. 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 December 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 period the Company donated £49,000 (2010-11: £57,000) to the Charity under the Gift Aid scheme.

#### **4. 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, Kiev, 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 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.

#### **5. Principal risks and uncertainties**

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

The directors performed a review of strategic risks in 2011; key risk areas include the following:

##### **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.

**Amnesty International Limited** *(a company limited by guarantee)*  
**Report of the Directors (continued)**

**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). In 2009 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 mitigate this risk for a proportion of income. 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.

## **6. 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 – except for Zuzanna Kulinska who has been elected for a two year term only – 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.

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

The Chair of the IEC receives coaching from an external consultant, and the IEC Board Development Committee identifies the general training needs for the entire board and handles specific requests for training from individual IEC members. In addition to this, certain IEC agenda sessions are focused on training: recent examples include sessions on working together in the future run by external consultants at the retreat meeting in September 2011, and a session on strategic thinking training run by the Board Development Committee at the March 2012 IEC meeting.

**Report of the Directors (continued)**

**7. 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 ALL.

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

**8. Financial Review**

The results for the Group show net outgoing resources after other recognised gains and losses of £3,657,000 (2010-11: net incoming resources of £8,131,000). Of this total, £2,595,000 relates to the actuarial loss incurred on revaluation of the Company's defined benefit pension scheme: further detail is provided in note 10 to the financial statements.

The Group is principally funded by contributions from country sections as assessed by the International Council. Incoming resources for the period were £38,106,000 (2010-11: £51,491,000), consisting primarily of assessment income, net of provisions, of £35,979,000.

Total resources expended were £39,137,000 (2010-11: £43,606,000). The increase in pro rata expenditure was principally due to the timing of campaigns and grant payments.

The Group has net current assets of £5,968,000 as at 31 December 2011 (31 March 2011: £7,416,000). The Group has unrestricted funds totalling £14,843,000 at the balance sheet date (31 March 2011: £17,776,000).

Net cash inflow from operating activities for the period was £1,287,000 (2010-11: £3,680,000). The Group has net funds of £7,855,000 as at 31 December 2011 (31 March 2011: £7,057,000).

Significant progress has been made in the current financial period on AI's human rights objectives and on the strategic global goals. 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 financial period, together with historical trend data is set out in the table below:

		April – December 2011	2010-11 pro rata to 9 months	2010-11
Total voluntary income	{1}	£37,497,000	£38,226,000	£50,968,000
Net current assets	{2}	£5,968,000		£7,416,000

{1} Decrease in total voluntary income is due principally to lower assessment income from Sections.

{2} The movement in net current assets is due principally to net outgoing resources of £1,031,000 during the period.

**9. Activities during the period – 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 period. 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 period ended 31 December 2011 is available in the Amnesty International Report 2012, 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.

**Report of the Directors (continued)**

**Global Priority Statements**

Research and campaigning on human rights issues was funded and undertaken in a number of countries. For the period April – December 2011, global key themes continued to include:

- **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.
- **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 period 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.

**10. Fundraising**

The directors are pleased to acknowledge the support of the John D. and Catherine T. MacArthur Foundation, the Dutch Postcode Lottery, the Stichting Adessium Foundation, EuropeAid, and Row for Rights, from whom funds were received during the period. Details of how these and other restricted funds have been spent can be found in Note 22 to the accounts.

**11. Plans for the future period**

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



## Report of the Directors (continued)

### Operational Enablers

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

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### Support and Governance

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

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The Group will also continue to invest greater resources into new national offices in Brazil, India and Nigeria, and increase its grant funding to existing national offices or Sections in the global south and east.

## 12. Volunteers

Volunteers and interns continue to make a significant contribution towards Amnesty's global objectives. Volunteers typically commit to volunteer between two and three days a week for a minimum of three months. Interns undertaking specific projects generally volunteer their time for three to five days per week for a minimum of 4 months. For the period ended 31 December 2011, there were on average 74 volunteers and interns supporting the activities of the IS. This was the equivalent of 33.6 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. These tasks include monitoring the international press, translating, undertaking research, designing web pages, raising funds and supporting human resources and accounting activities.

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.

## 13. Reserves policy

At 31 December 2011 the Company's free reserves were £3,308,000 (31 March 2011 £3,386,000).

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

In setting a target level, directors also consider the level of reserves held by Amnesty International Charity Limited in excess of its own target that, subject to agreement by the Charity's Trustees, may be made available to the Company in the form of additional grant for core activities. At 31 December 2011 the level of such excess reserves held by Amnesty International Charity Limited was £1,218,000.

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

- The Company's risk management framework;
- Income budgets/forecasts and analyses of the stability of sources of income;
- Expenditure budgets; forecasts, including staff costs, grants to sections/structures, and capital expenditure;
- Cash flow forecasts including the required contributions in respect of the defined benefit pension scheme;

**Report of the Directors (continued)**

- Levels of reserves held by IS branches and subsidiaries, including any practical restrictions on access to those reserves and the appropriate levels which are required for liquidity and the mitigation of financial risk at the level of the branch or subsidiary.

In consideration of these factors the target for the Company has been set at between £4.7m and £9.0m.

At 31 December 2011 the total level of reserves available to the Company, including those held by the Charity in excess of its own reserves target, was £4,526,000.

The directors have approved a programme of monitoring and reporting on the level of free reserves in conjunction with the budgeting process in order to achieve the desired target over the course of the Company's five year financial plan.

**14. Going concern**

We have set out above a review of financial performance and the Company's reserves position. Our risk assessment and planning processes, including financial projections, have taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. The directors have a reasonable expectation that adequate resources are available to enable the Company to continue in operational existence for the foreseeable future. The directors 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.

**15. Investment policy**

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

**16. 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.

**17. Pension fund**

The FRS 17 valuation of the AIL defined benefit pension scheme as at 31 December 2011 supplied by AIL's actuaries showed a deficit figure of £7,396,000 (31 March 2011: £5,280,000).

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

A full actuarial valuation is carried out every three years. The most recent was carried out as at 30 September 2011 which revealed a funding shortfall of £12,055,000 (September 2008: £10,226,000). The Company is currently making annual contributions of £1,094,000, increasing by 5% per year, as agreed with the Trustees of the pension scheme, to eliminate this shortfall.

**Report of the Directors (continued)**

**18. Directors and directors' interests**

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

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

**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.

**Report of the Directors (continued)**

**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 period. 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;
- 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

2 June 2012

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

We have audited the financial statements of Amnesty International Limited for the period ended 31 December 2011 which are set out on pages 15 to 40.

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

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

### **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 December 2011 and of the group's profit for the 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.

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

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

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

**Matters on which we are required to report by exception**

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

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



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

*29 June 2012*

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

		Unrestricted Funds 9 months ended 31 Dec 11	Restricted Funds 9 months ended 31 Dec 11	Total Funds 9 months ended 31 Dec 11	Total Funds Year ended 31 Mar 11
	Notes	£'000	£'000	£'000	£'000
<b>Incoming resources</b>					
Voluntary income	4	28,957	8,540	37,497	50,968
Activities for generating funds		569	-	569	483
Investment income		40	-	40	40
<b>Total incoming resources</b>		<b>29,566</b>	<b>8,540</b>	<b>38,106</b>	<b>51,491</b>
<b>Resources expended</b>					
Cost of generating funds	5	1,301	-	1,301	1,322
Costs of activities in furtherance of the Group's objectives	5	27,316	9,269	36,585	41,256
Governance costs	5	1,251	-	1,251	1,028
<b>Total resources expended</b>		<b>29,868</b>	<b>9,269</b>	<b>39,137</b>	<b>43,606</b>
<b>Net (outgoing) / incoming resources before other recognised gains and losses</b>		<b>(302)</b>	<b>(729)</b>	<b>(1,031)</b>	<b>7,885</b>
Currency translation differences		(31)	-	(31)	(19)
Actuarial (losses) / gains	10	(2,595)	-	(2,595)	265
<b>Net (outgoing) / incoming resources</b>		<b>(2,928)</b>	<b>(729)</b>	<b>(3,657)</b>	<b>8,131</b>
Fund balances brought forward		<b>17,770</b>	<b>1,039</b>	<b>18,809</b>	<b>10,678</b>
<b>Fund balances carried forward</b>		<b>14,843</b>	<b>309</b>	<b>15,152</b>	<b>18,809</b>

All activities are continuing.

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

The notes on pages 18 to 40 form part of these financial statements.

## Balance sheet

### As at 31 December 2011

Company no: 1606776

	Notes	Group		Company	
		31 Dec 11 £'000	31 Mar 11 £'000	31 Dec 11 £'000	31 Mar 11 £'000
<b>Fixed assets</b>					
Tangible assets	13	18,888	19,284	18,428	18,849
Intangible assets	14	18	-	-	-
Investments	15,16	1	1	21	21
<b>Total fixed assets</b>		<b>18,907</b>	<b>19,285</b>	<b>18,449</b>	<b>18,870</b>
<b>Current assets</b>					
Stocks	17	14	15	-	-
Debtors: amounts falling due after one year	18	861	864	861	864
Debtors: amounts falling due within one year	18	2,399	3,643	2,511	3,510
Cash at bank and in hand		7,923	7,123	7,463	6,870
<b>Total Current Assets</b>		<b>11,197</b>	<b>11,645</b>	<b>10,835</b>	<b>11,244</b>
Creditors: amounts falling within one year	19	(5,229)	(4,229)	(5,146)	(4,122)
<b>Net current assets/(liabilities)</b>		<b>5,968</b>	<b>7,416</b>	<b>5,689</b>	<b>7,122</b>
<b>Total assets less current liabilities</b>		<b>24,875</b>	<b>26,701</b>	<b>24,138</b>	<b>25,992</b>
Creditors: amounts falling due after more than one year	20	(1,424)	(1,358)	(1,419)	(1,353)
<b>Provisions for liabilities and charges</b>					
Provisions	21	(903)	(1,254)	(903)	(1,254)
Defined benefit pension scheme liability	10	(7,396)	(5,280)	(7,396)	(5,280)
<b>Net assets</b>		<b>15,152</b>	<b>18,809</b>	<b>14,420</b>	<b>18,105</b>
<b>Funds:</b>					
Unrestricted funds excluding pension reserve	22	22,239	23,050	21,586	22,435
Pension reserve	10	(7,396)	(5,280)	(7,396)	(5,280)
<b>Total unrestricted funds</b>		<b>14,843</b>	<b>17,770</b>	<b>14,190</b>	<b>17,161</b>
<b>Restricted funds</b>		<b>309</b>	<b>1,039</b>	<b>230</b>	<b>950</b>
<b>Total funds</b>		<b>15,152</b>	<b>18,809</b>	<b>14,420</b>	<b>18,105</b>

Approved by the board of directors on 2 June 2012 and signed on its behalf by:



P Antonioli, Director.

The notes on pages 18 to 40 form part of these financial statements.



## Consolidated Cash Flow Statement For the period ended 31 December 2011

	Notes	9 months ended 31 Dec 11 £'000	Year ended 31 Mar 11 £'000
<b>Net cash inflows from operating activities</b>	<b>26</b>	<b>1,287</b>	<b>3,680</b>
<b>Return on investment and servicing of finance</b>			
Interest received		40	40
Interest paid		(61)	(113)
Interest element of finance lease rental payments		(17)	(16)
<b>Net cash outflow from returns on investments and servicing of finance</b>		<b>(38)</b>	<b>(89)</b>
<b>Taxation</b>		<b>17</b>	<b>(63)</b>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(506)	(462)
Receipt of insurance bond		53	148
<b>Net cash outflow from capital expenditure and financial investments</b>		<b>(453)</b>	<b>(314)</b>
<b>Net cash inflow before financing</b>		<b>813</b>	<b>3,214</b>
<b>Financing</b>			
Capital element of finance lease rental payments		(13)	(59)
Repayment of borrowings		-	(1,506)
<b>Net cash outflow from financing</b>		<b>(13)</b>	<b>(1,565)</b>
<b>Increase in cash &amp; cash equivalents</b>	<b>26</b>	<b>800</b>	<b>1,649</b>

The notes on pages 18 to 40 form part of these financial statements.

## **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, 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 15 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 accounting reference date of the Company and its subsidiaries is 31 December with the exception of AHRFL, for which the accounting reference date is 30 September pending its being struck off as non-trading in 2012. The financial statements of AHRFL have been consolidated on the basis of interim financial statements for the period to 31 December 2011.

The Company carries out some operations overseas through a number of overseas offices that it controls as branches. These are located in New York, Geneva, Paris, Dakar, Kampala, Kiev, 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 outgoing resources for the nine month period ended 31 December 2011 totalled £1,099,000 (2010-11: incoming resources of £7,818,000).

## **2 Accounting policies**

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

### **Fund accounting**

The 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**

#### *Assessment income*

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

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

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

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

#### *Additional Voluntary Contributions*

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

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

#### *Legacy income*

Legacy bequests are recognised when legal entitlement to them first arises and when the amount can be quantified with reasonable clarity. Legal entitlement is considered to arise on receipt of correspondence from the personal representatives of the estate confirming that the payment of the legacy will be made or that the property bequeathed will be transferred, subject to the amount of the legacy being clearly measurable.

#### *Donation income*

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

## **2 Accounting policies - continued**

### *Sales income*

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

### *External grants*

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

Where the receipt of incoming resources relating to a restricted grant is dependent on certain contractual performance conditions, revenue is only recognised when these 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.

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

### **Resources expended**

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

### **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; and
2. Costs incurred by EDAI relating to the purchase of merchandise and other supplies for fundraising trading purposes.

## 2 Accounting policies - continued

Activities in pursuance of the group's objectives comprise:

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

**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 £1,000 (2010-11: £500) are written off in the period of acquisition.

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

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

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

## **2 Accounting policies - continued**

### **Leased assets**

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

### **Investments in subsidiaries and other companies**

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

### **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 pension scheme deficit, provisions are not discounted to the present value as they are expected to be settled within 12 months of the balance sheet date.

### **Foreign currency**

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

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

### **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 period and the interest on assets and liabilities. The expected return on scheme assets and interest cost on scheme liabilities are allocated across the appropriate incoming/outgoing resource categories in the Statement of Financial Activities. The change in value of assets and liabilities arising from asset valuation, changes in benefits, actuarial assumptions, or change in the level of deficit attributable to members is recognised within actuarial gains/losses in the Statement of Financial Activities. The resulting pension liability is shown on the Balance Sheet.

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

### 3 Segmental Analysis

The directors are of the opinion that the Group and the Company have only one class of business namely securing the observance of the provisions of the Universal Declaration of Human Rights and other human rights instruments throughout the world.

	Europe	Americas	Rest of World	Total
	£'000	£'000	£'000	£'000
Voluntary income	30,529	4,056	2,912	37,497

### 4 Voluntary income

	Unrestricted Funds	Restricted Funds	Total Funds 9 months ended 31 Dec 11	Total Funds Year ended 31 Mar 11
	£'000	£'000	£'000	£'000
Contributions from Sections (net of provisions)	28,104	7,875	35,979	46,730
Additional voluntary contributions from Sections	842	266	1,108	3,256
Donations	-	399	399	907
Other income	11	-	11	75
<b>Total voluntary income</b>	<b>28,957</b>	<b>8,540</b>	<b>37,497</b>	<b>50,968</b>

Contributions from Sections is stated net of provisions against income of £4,129,000, mainly against the USA Section. 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	Direct costs	Support costs Note 7	Total Funds	Total Funds
		Apr – Dec 11 £'000	Apr – Dec 11 £'000	Apr – Dec 11 £'000	9 months ended 31 Dec 11 £'000	Year ended 31 Mar 11 £'000
<b>Cost of generating funds</b>						
Grant fundraising and translation		-	1,016	302	1,318	1,259
Taxation		-	(17)	-	(17)	63
<b>Total cost of generating funds</b>		-	<b>999</b>	<b>302</b>	<b>1,301</b>	<b>1,322</b>
<b>Cost of activities in furtherance of the Group's objectives</b>						
Research and publications		-	15,999	5,279	21,279	22,952
Campaigning		4,919	6,441	3,947	15,306	18,304
<b>Total activities</b>		<b>4,919</b>	<b>22,440</b>	<b>9,226</b>	<b>36,585</b>	<b>41,256</b>
Governance	8	-	1,146	105	1,251	1,028
<b>Total resources expended</b>		<b>4,919</b>	<b>24,585</b>	<b>9,633</b>	<b>39,137</b>	<b>43,606</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 in the nine months to 31 December 2011 recognised a credit of £16,000 (2010-11: charge of £13,000).

## 6 Grants

In the current and preceding financial periods, the Company made grants to certain AI Sections, to be used by recipients to undertake research, publications and campaigning activities. During the period the company made grants totalling £4,919,000 (2010-11: £3,831,000). At the balance sheet date, the Company had conditional grant commitments of £nil (2010-11: £2,324,625). The fall in grant commitments at period end is due to the Company's year end becoming aligned with those of recipient Amnesty International sections. Details of individual grants are available from the Company's registered office.



## 7 Support Costs

	Activities	Fundraising	Governance	Total 9 months ended 31 Dec 11	Total Year ended 31 Mar 11
	Apr – Dec 11	Apr – Dec 11	Apr – Dec 11	£'000	£'000
	£'000	£'000	£'000	£'000	£'000
Salaries and employment benefits	4,291	141	49	4,481	5,229
Occupancy costs	274	9	3	286	436
Professional fees	1,093	36	12	1,141	896
Information technology costs	475	16	5	496	387
Administration costs	1,645	54	19	1,718	1,747
Depreciation	768	25	9	802	1,035
Insurance	263	9	3	275	293
Other costs	416	13	5	434	1,195
	<b>9,225</b>	<b>303</b>	<b>105</b>	<b>9,633</b>	<b>11,218</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

	9 months ended 31 Dec 11	Year ended 31 Mar 11
	£'000	£'000
Salaries and employment benefits	368	433
Occupancy costs	3	9
Professional fees	69	52
Publication costs	130	91
Information technology costs	12	8
Administration costs	644	378
Insurance	9	-
Other costs	16	57
	<b>1,251</b>	<b>1,028</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 Employees and Directors

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

	9 months ended 31 Dec 11	Year ended 31 Mar 11
	£'000	£'000
Salaries	17,869	20,916
Social security costs	2,001	2,164
Employer pension contributions	1,470	1,792
Staff recruitment, training and welfare	701	713
	<b>22,041</b>	<b>25,585</b>

The average number of persons employed by the Group during the 9 month period was 518 (2010-11: 503).

	9 months ended 31 Dec 11	Year ended 31 Mar 11
Fundraising	13	12
Research and Regions	225	224
Campaigning and Communications	168	168
Governance	5	8
Support	107	91
	<b>518</b>	<b>503</b>

The number of employees whose emoluments during the 9 month period, including taxable benefits in kind but not employer pension contributions, were over £60,000 was:

	9 months ended 31 Dec 11	Year ended 31 Mar 11
£ 60,000 - 70,000	1	21
£ 70,000 - 80,000	4	3
£ 80,000 - 90,000	2	2
£ 90,000 - 100,000	1	3
£100,000 - 110,000	-	1
£120,000 - 130,000	-	2
£150,000 - 160,000	1	1
£160,000 - 170,000	-	2
£170,000 - 180,000	-	1

The above figures for the current period show emoluments earned in the 9 month period to 31 December 2011, compared to emoluments earned in the 12 months to 31 March 2011.

The aggregate value of company contributions paid to the pension scheme in respect of the staff disclosed in the above table amounted to £56,586 (2010-11: £271,122).

The directors of the company received no remuneration for their services (2010-11: £nil). No company contributions were paid to the pension scheme in respect of directors' qualifying services (2010-11: £nil), and no director is accruing benefits under the defined contribution scheme (2010-11: none). No directors are accruing benefits in relation to the previous defined benefit scheme (2010-11: none).

## 9 Employees and Directors - continued

### Transactions with Directors

Expenses for travel related expenditure of £72,701 were paid to 13 Directors (2010-11: £49,980 to 9 Directors). Other than the above expenditure, there were no transactions with directors in the 9 month period and no director has any loan amounts outstanding to the company.

## 10 Pension arrangements

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

### *Defined contribution*

The Company contributes to the defined contribution scheme 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.

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

The assets of the Scheme are held separately from those of the Company. The Company's contributions in the period were £1,470,000 (2010-11 £1,792,000).

### *Defined benefit*

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

A sectionalisation between the defined contribution and the defined benefit elements of the Scheme was carried out as at 6 April 2006. This involved the Trustees reclaiming control of all assets, including the assets in members' individual money purchase account, that are backing members' final salary guarantees. The Trustees now hold all assets in respect of members' final salary guarantees centrally. The disclosures as at 31 March 2009, 2010 and 2011, and at 31 December 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 £68,000 (2010-11: £176,000). 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 scheme's assets and liabilities (allocated to other recognised gains and losses).

## 10 Pension arrangements – continued

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

	At 31 Dec 11	At 31 Mar 11	At 31 Mar 10	At 31 Mar 09
	%	%	%	%
Rate of increase to guaranteed pensions in payment	3.0	2.50	3.00	3.00
Rate of increase of deferred pensions	5.50	5.00	5.00	5.00
Discount rate	4.80	5.50	5.50	6.70
Inflation assumption	2.40	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	S1 tables projected by year of birth using the medium cohort and a 1% pa underpin to future improvements

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

	Expected long-term rate of return at 31 Dec 11	Fair value of assets at 31 Dec 11 £'000	Expected long-term rate of return at 31 Mar 11	Fair value of assets at 31 Mar 11 £'000	Expected long-term rate of return at 31 Mar 10	Fair value of assets at 31 Mar 10 £'000
Equities (incl property)	7.50%	10,424	7.50%	10,741	7.50%	8,814
Bonds (incl cash)	4.00%	3,954	4.75%	3,318	4.75%	2,997
Total fair value of assets		14,378		14,059		11,811
Present value of scheme liabilities		(21,774)		(19,339)		(18,769)
Deficit in the scheme		(7,396)		(5,280)		(6,958)
<i>Amounts in the balance sheet</i>						
Liabilities		(7,396)		(5,280)		(6,958)
Net liability		(7,396)		(5,280)		(6,958)

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

## 10 Pension arrangements – continued

### Effect on the Consolidated Statement of Financial Activities

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

	31 Dec 11	31 Mar 11
	£'000	£'000
Expected return on pension scheme assets	727	850
Interest on pension scheme liabilities	(795)	(1,026)
Total amount charged within net (outgoing) / incoming resources	(68)	(176)
Actuarial (loss) / gain	(2,595)	265
Total amount (charged)/credited to the Statement of Financial Activities	<u>(2,663)</u>	<u>89</u>

The cumulative total of recognised actuarial gains and losses is £9,514,000 as at 31 December 2011 (31 March 2011: £6,919,000)

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

	31 Dec 11	31 Mar 11
	£'000	£'000
Actual return less expected return on pension scheme assets	(813)	31
Changes in assumptions underlying the present value of the scheme liabilities	(1,782)	234
Actuarial (loss) / gain recognised	<u>(2,595)</u>	<u>265</u>

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

	31 Dec 11	31 Mar 11
	£'000	£'000
Opening fair value of scheme assets	14,059	11,811
Expected return	727	850
Actuarial (loss) / gain	(813)	31
Additional Employer contributions	547	1,589
Benefits paid	(142)	(222)
Fair value of scheme assets at the year end	<u>14,378</u>	<u>14,059</u>

The additional employer contributions during the accounting period amounted to £547,000 and the employer is currently expected to contribute £1,149,000 for the coming year.

## 10 Pension arrangements – continued

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

	31 Dec 11 £'000	31 Mar 11 £'000
Opening defined benefit obligation	(19,339)	(18,769)
Interest cost	(795)	(1,026)
Actuarial (loss) / gain	(1,782)	234
Benefits paid	142	222
<b>Defined benefit obligation at end of year</b>	<b>(21,774)</b>	<b>(19,339)</b>

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

	31 Dec 11	31 Mar 11
Equities (incl property)	72.5%	76%
Bonds (incl cash)	27.5%	24%
	<u>100%</u>	<u>100%</u>

	31 Dec 11 £'000	31 Mar 11 £'000
Actual return on the scheme assets in the period	(73)	881

In the period ended 31 December 2011 actual return on the scheme assets was negative due principally to an actuarial loss on the fair value of the assets.

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

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

	31 Dec 2011 £'000	31 Mar 2011 £'000	2010 £'000	2009 £'000	2008 £'000
Defined benefit obligation	(21,774)	(19,339)	(18,769)	(14,766)	(13,936)
Scheme assets	14,378	14,059	11,811	7,995	8,880
Deficit	(7,396)	(5,280)	(6,958)	(6,771)	(5,056)
Experience adjustments on scheme liabilities	23	-	-	(515)	-
Effect of change in assumptions on scheme liabilities	(1,805)	234	(3,249)	538	3,030
Experience adjustments on scheme assets	(813)	31	2,491	(2,790)	(1,139)

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 period including administration and other fees totalled £1,597,000 (2010-11: £2,060,000). Employer contributions outstanding at the year end totalled £208,000 (2010-11: £192,000).

## 11 Interest payable and similar charges

	9 months ended 31 Dec 11 £'000	Year ended 31 Mar 11 £'000
Group interest payable and similar charges:		
on bank loans and overdrafts	61	113
on pension finance costs	68	176
on finance leases	17	16
	<b>146</b>	<b>305</b>

## 12 Net incoming / (outgoing) resources

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

	9 months ended 31 Dec 11 £'000	Year ended 31 Mar 11 £'000
Depreciation of tangible fixed assets	803	1,049
Loss on disposal of tangible fixed assets	40	32
Foreign exchange losses	113	1,612

## Auditor's Remuneration

	9 months ended 31 Dec 11 £'000	Year ended 31 Mar 11 £'000
Fees payable to the group's auditors for the audit of the group's statutory accounts for the period	50	64
Additional fees relating to the overrun of prior periods	-	19
Fees payable to the group's auditors for the audit of Amnesty International Charity Limited for the period	10	13
<b>Total audit fees payable to the group's auditor</b>	<b>60</b>	<b>96</b>
<b>Non-audit services from the group's auditor</b>	<b>2</b>	<b>2</b>

### 13 Tangible fixed assets

Movements on the fixed assets during the period were:

Group	Freehold land and buildings	Leasehold land and buildings	Leasehold improve- ments	Office furniture and equipment	Computer equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>							
At 1 April 2011	23,357	256	44	4,412	2,520	36	30,625
Currency revaluation	-	(4)	-	-	-	-	(4)
Additions	-	-	-	136	370	-	506
Disposals/Insurance bond receipt	(60)	-	-	(140)	(279)	-	(479)
<b>At 31 Dec 2011</b>	<b>23,297</b>	<b>252</b>	<b>44</b>	<b>4,408</b>	<b>2,611</b>	<b>36</b>	<b>30,648</b>
<b>Depreciation</b>							
At 1 April 2011	(6,033)	(58)	(41)	(3,025)	(2,149)	(36)	(11,342)
Currency revaluation	-	-	-	-	-	-	-
Charge for the period	(297)	(4)	-	(297)	(205)	-	(803)
Disposals	-	-	-	121	263	-	384
<b>At 31 Dec 2011</b>	<b>(6,330)</b>	<b>(62)</b>	<b>(41)</b>	<b>(3,198)</b>	<b>(2,093)</b>	<b>(36)</b>	<b>(11,760)</b>
<b>Net book value</b>							
At 1 April 2011	17,324	198	3	1,390	369	-	19,284
<b>At 31 Dec 2011</b>	<b>16,967</b>	<b>190</b>	<b>3</b>	<b>1,210</b>	<b>518</b>	<b>-</b>	<b>18,888</b>

Company	Freehold land and buildings	Office furniture and equipment	Computer equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 April 2011	22,995	4,364	2,454	36	29,849
Additions	-	93	366	-	459
Disposals/Insurance proceeds	(60)	(140)	(279)	-	(479)
<b>At 31 Dec 2011</b>	<b>22,935</b>	<b>4,317</b>	<b>2,541</b>	<b>36</b>	<b>29,829</b>
<b>Depreciation</b>					
At 1 April 2011	(5,904)	(2,974)	(2,086)	(36)	(11,000)
Charge for the period	(291)	(291)	(203)	-	(785)
Disposals	-	121	263	-	384
<b>At 31 Dec 2011</b>	<b>(6,195)</b>	<b>(3,144)</b>	<b>(2,026)</b>	<b>(36)</b>	<b>(11,401)</b>
<b>Net Book Value</b>					
At 1 April 2011	17,091	1,390	368	-	18,849
<b>At 31 Dec 2011</b>	<b>16,740</b>	<b>1,173</b>	<b>515</b>	<b>-</b>	<b>18,428</b>



### 13 Tangible fixed assets - continued

The net book value of office furniture and equipment at 31 December 2011 includes £71,000 relating to equipment held through finance leases. Depreciation of £9,000 was charged in the period in respect of these assets.

### 14 Intangible assets

Intangible assets of £18,000 represent a deferred tax asset held by the EDAI subsidiary.

### 15 Investments in Subsidiaries

Investments comprise:	Percentage ownership	Cost at 31 Dec 11 £'000	Cost at 31 Mar 11 £'000
Editorial Amnistía Internacional, (EDAI) S.L. sociedad unipersonal	100%	19	19
Amnesty International Asia-Pacific (AIAPROL) Regional Office Limited	100%	1	1
		20	20

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

Editorial Amnistía Internacional, S.L. sociedad unipersonal, 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. AHRFL was dissolved in April 2012 as it was non-trading.

## 15 Investments in Subsidiaries - continued

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

	Incoming resources 9 months ended 31 Dec 11 £'000	Resources expended 9 months ended 31 Dec 11 £'000	Other recognised gains / (losses) 9 months ended 31 Dec 11 £'000	Net incoming / (outgoing) resources 9 months ended 31 Dec 11 £'000
EDAI	921	(940)	(23)	(42)
AIAPROL	486	(480)	(3)	3
AHRFL	-	(8)	-	(8)
		<b>Total assets 31 Dec 11 £'000</b>	<b>Total liabilities 31 Dec 11 £'000</b>	<b>Total funds 31 Dec 11 £'000</b>
EDAI		686	(287)	399
AIAPROL		299	(74)	225
AHRFL		82	(2)	80

## 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

	Group		Company	
	31 Dec 11 £'000	31 Mar 11 £'000	31 Dec 11 £'000	31 Mar 11 £'000
Finished goods	14	15	-	-

## 18 Debtors

Amounts shown as debtors falling due after one year comprise:

	Group		Company	
	31 Dec 11 £'000	31 Mar 11 £'000	31 Dec 11 £'000	31 Mar 11 £'000
Amounts due from Sections	861	864	861	864

## 18 Debtors - continued

Amounts shown as debtors falling due within one year comprise:

	Group		Company	
	31 Dec 11	31 Mar 11	31 Dec 11	31 Mar 11
	£'000	£'000	£'000	£'000
Amount due from AHRFL	-	-	-	200
Amounts due from Sections	1,041	2,546	1,025	2,255
Other debtors	974	783	945	770
Prepayments and accrued income	384	314	541	285
	<b>2,399</b>	<b>3,643</b>	<b>2,511</b>	<b>3,510</b>

The amounts due from sections include loans to sections, mainly for investment in fundraising. Some loans are interest bearing, with rates either being fixed or based on UK LIBOR, and all have individual repayment schedules ending from within the next financial year to 2016. Amounts due from Sections is stated net of provisions of £14,091,000.

## 19 Creditors: amounts falling due within one year

Amounts shown as creditors falling due within one year comprise:

	Group		Company	
	31 Dec 11	31 Mar 11	31 Dec 11	31 Mar 11
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	-	7	-	-
Other loans (from Sections)	-	684	-	684
Trade creditors	760	596	710	579
Obligations under finance leases	25	55	25	55
Deferred income	2,785	1,616	2,785	1,616
Taxation and social security	35	36	35	36
Other creditors	204	367	171	284
Accruals	1,420	868	1,420	868
	<b>5,229</b>	<b>4,229</b>	<b>5,146</b>	<b>4,122</b>

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

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

	Group		Company	
	31 Dec 11	31 Mar 11	31 Dec 11	31 Mar 11
	£'000	£'000	£'000	£'000
Bank loans	-	5	-	-
Deferred taxation	5	-	-	-
Other loans (from Sections)	1,377	1,353	1,377	1,353
Obligations under finance leases	42	-	42	-
	<b>1,424</b>	<b>1,358</b>	<b>1,419</b>	<b>1,353</b>

The loan from Section is unsecured and interest bearing at a fixed rate. This rate was 3% until October 2010, at which point it was renegotiated to 2%. The loan is due for repayment in 2020.

## 21 Provisions

Group	Restructuring £'000	Other £'000	Total £'000
At 1 April 2011	(427)	(827)	(1,254)
Charged / released to the statement of financial activities	248	103	351
At 31 December 2011	(179)	(724)	(903)

### Restructuring Provision

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

### Other Provisions

Other provisions relate to holiday pay (£618,000) and back-dated salary reviews (£106,000).

## 22 Share capital and funds

Group	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Fund balances at 31 December 2011 are represented by:			
Fixed assets	18,907	-	18,907
Current assets	9,527	1,670	11,197
Current and long term liabilities and provisions	(6,195)	(1,361)	(7,556)
Pension liability	(7,396)	-	(7,396)
<b>Total net assets at 31 December 2011</b>	<b>14,843</b>	<b>309</b>	<b>15,152</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 period were as follows:

	1 April			31 December
	2011	Income	Expenditure	2011
American Jewish World Service	38	(1)	(37)	-
BRICS	-	235	(235)	-
EuropeAid	98	29	(127)	-
Human Rights Defenders Placement Fund	10	-	-	10
Human Rights Foundation - Make Some Noise	88	-	(8)	80
MacArthur Foundation	1	-	-	1
MacArthur Grant 2010-12	32	-	(31)	1
Postcode Lottery (AI Netherlands)	203	313	(516)	-
Postcode Lottery Africa Fund	2	-	-	2
Row for Rights	-	10	(10)	-
Sabra K. Drohan Trust	16	-	(16)	-
Stichting Adessium Foundation	129	53	(182)	-
Vanguard Charitable Endowment	13	(5)	(8)	-
AI Charity	-	7,875	(7,875)	-
AI European Institutions Office	7	-	(7)	-
AI France	169	-	(122)	47
AI Germany	2	-	2	4
AI Netherlands	200	-	(75)	125
AI Norway	31	-	(22)	9
AI Spain	-	31	-	31
	<b>1,039</b>	<b>8,540</b>	<b>(9,269)</b>	<b>309</b>

#### American Jewish World Service

The American Jewish World Service fund is restricted to Amnesty International's Lesbian, Gay, Bisexual and Transgender programme.

#### BRICS

The group received donations from certain AI Sections to be restricted for establishing Amnesty International presences in India and Brazil ("BRICS"). These donations represent a contribution towards the total BRICS spend for the period ended 31 December 2011.

#### EuropeAid

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

#### Human Rights Foundation

The Amnesty Human Rights Foundation 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").

## 22 Share capital and funds - continued

### MacArthur Foundation

The fund is restricted for projects on the protection and promotion of human rights in the Russian Federation.

### Postcode Lottery (AI Netherlands)

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 previous period 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 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 Vanguard Charitable Endowment Program 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 period for work performed by the Company on behalf of the Charity. This fund is considered restricted as it may only be used to fund charitable activities.

### AI European Institutions Office

The fund is restricted to Amnesty International's "Discrimination in Europe" project and was fully expended in the period.

### Restricted funds from Amnesty International Sections

The Company held funds provided by AI sections during the period, with the following restrictions:

<b>AI France</b>	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.
<b>AI Germany</b>	Restricted to the work of the International Mobilisation Trust.
<b>AI Netherlands</b>	Restricted to certain Asia Network and Youth Projects.
<b>AI Norway</b>	Restricted to Maternal Mortality projects in Sierra Leone and Burkina Faso.
<b>AI Spain</b>	Restricted to the work of the International Mobilisation Trust.

## 23 Finance leases

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

	Group		Company	
	31 Dec 11	31 Mar 11	31 Dec 11	31 Mar 11
	£'000	£'000	£'000	£'000
Within one year	25	55	25	55
Within two to five years	42	-	42	-
	<u>67</u>	<u>55</u>	<u>67</u>	<u>55</u>

## 24 Capital and other commitments

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

## 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, 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 period, and the balances due to or from them at the year end, are disclosed in the relevant notes to the financial statements.

During the period the Company donated £49,000 (2010-11: £57,000) under the Gift Aid scheme.

## 26 Cash flow information

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

	9 months	Year ended
	ended	31 Mar 11
	31 Dec 11	31 Mar 11
	£'000	£'000
Net movement in funds	(3,657)	8,131
Currency translation difference	5	23
Depreciation	803	1,049
Loss on disposal of fixed assets	40	32
(Increase)/decrease in stocks	-	(5)
(Increase)/decrease in debtors	1,229	(740)
Increase/(decrease) in creditors	1,081	(3,357)
Increase/(decrease) in provisions	(351)	74
Increase/(decrease) in pension deficit	2,116	(1,678)
Investment income	(40)	(40)
Interest payable	78	129
Taxation	(17)	63
<b>Net cash outflow from operating activities</b>	<u><b>1,287</b></u>	<u><b>3,681</b></u>

## 26 Cash flow information - continued

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

	9 months ended 31 Dec 11	Year ended 31 Mar 11
	£'000	£'000
Increase in cash and cash equivalents in the period	799	1,649
Cash inflow from increase in debt and lease financing	(1)	2,768
<b>Movement in net funds</b>	<b>798</b>	<b>4,417</b>
<b>Net funds at start of period</b>	<b>7,057</b>	<b>2,640</b>
<b>Net funds at period end</b>	<b>7,855</b>	<b>7,057</b>

### Analysis of net funds

	31 Mar 11	Cash flow	31 Dec 11
	£'000	£'000	£'000
Cash at bank and in hand	7,123	799	7,922
Debt due after 1 year	(5)	5	-
Debt due within 1 year	(7)	7	-
Finance leases due after one year	-	(42)	(42)
Finance leases due within one year	(54)	29	(25)
	(66)	(1)	(67)
<b>Net funds</b>	<b>7,057</b>	<b>798</b>	<b>7,855</b>