

**AMNESTY
INTERNATIONAL**



ANNUAL FINANCIAL REPORT

2016

AMNESTY INTERNATIONAL AUSTRALIA

ABN 64 002 806 233

The Directors present their report together with the financial report of Amnesty International Australia (AIA) ("the company") for the year ended 31 December 2016 and the auditor's report thereon.

Directors

The Directors, at any time during the financial year and until the date of this report are:

Name and Qualifications	Date of Birth	Experience and Special Responsibilities
<p><i>Gabrielle Susan Mary Kavanagh</i> <i>B. International Studies</i></p> <p>Director and President</p>	19/4/85	<p>Industrial Organiser, National Tertiary Education Union, NSW Division</p> <p>Member of Amnesty International Australia since 2005</p> <p>Member, NSW Branch Committee since 2006 incl. Vice President 2008 – 2010 and President 2010 – 2011</p> <p>Delegate, International Council Meeting 2011, 2013 and 2015.</p> <p>Director appointed 13/7/11</p> <p>Vice President since 2/3/14</p> <p>President since 03/07/16</p>
<p><i>Anthony Stuart Mitchell</i> <i>BA (Pure Mathematics)</i> <i>BSc (Psychology)</i></p> <p>Director and President</p>	5/10/69	<p>Director, Bendelta P/L (strategic advisory firm)</p> <p>Member of Amnesty International Australia since 2005</p> <p>New South Wales Branch President May 2008 – July 2010 and Branch Vice President May 2007 – May 2008</p> <p>Member, New South Wales Branch Committee May 2006 – July 2010</p> <p>Delegate, International Council Meeting 2011</p> <p>Vice President July 2010 – 1/9/11</p> <p>President from 1/9/11</p> <p>Director appointed 17/5/08</p> <p>Resigned 03/07/16</p>
<p><i>Simon Dominic Rumore</i> <i>B Comm, GAICD</i></p> <p>Director and Vice President</p>	13/10/68	<p>Management Consultant</p> <p>Member of Amnesty International Australia since 1988 and AI Northern Ireland from 1992 – 1994</p> <p>Member of Queensland & Northern NSW Branch Committee from 2009 - 2016</p> <p>Deputy Volunteer Coordinator International Committee Meeting 2011</p> <p>Director appointed 12/5/12</p> <p>Resigned 14/5/16</p> <p>Elected Vice-President 03/07/16</p>
<p><i>Giles Errol Gunsekera</i> <i>MA App. Fin & Inv.</i> <i>B Comm, Cert. Workplace Training,</i> <i>SF Fin, AFAIM, MAITD</i></p> <p>Director and Treasurer</p>	3/11/73	<p>Chief Executive Officer, Global Impact Initiative</p> <p>Member of Amnesty International Australia since 1990</p> <p>Member, Audit & Risk Committee since 2008 and Chair since 9/7/11</p> <p>Member of the Speakers Network since 1999</p> <p>Member of New South Wales Branch Committee 2005 – 2010</p> <p>NSW Branch Committee Treasurer 2006 – 2010</p> <p>Chair, Remuneration Committee July 2013</p> <p>Treasurer since 9/7/11</p> <p>Director appointed 20/7/10</p>



<p><i>Ian Howard Gibson</i> BA (Hons), BEd, LLM, MProfEthics, DOrgDyn, Barrister and Solicitor</p> <p>Director and Company Secretary</p>	<p>14/11/51</p>	<p>General Counsel, Victorian Government Solicitor's Office Member of Amnesty International Australia since 1979 Member of Victorian Branch Committee 1983 – 1992 (Branch President, Vice-President, President) Amnesty International Australia: Director 1991-2003 (Secretary 1992-2000, Vice-President 2000-03) Member, Governance Committee 2009-15 Delegate International Council Meeting 1983, 1987 (Rapporteur W-P-C), 1989, 1991, 1993, 1997, 1999 & 2001 (Rapporteur WP- R-Research), 2003, 2005, 2007 Member and Chair of the Standing Committee on Human, Finance and Information Matters 1999-2003 Member of the International Executive Committee 2003-07 Chair of the Membership Appeals Committee 2009-15</p> <p>Director 17/5/91 – 21/9/03 and since 5/7/15 Secretary appointed 7/7/15</p>
<p><i>Gregory David Stitt</i></p> <p>Director</p>	<p>23/9/58</p>	<p>Self-employed Software Developer/Electrical Designer Australian Coordinator AI East African Regional Network 1995- 1996 Rejoined Amnesty International Australia in 2000 Convenor, China Group 2008, Member SVAW group 2009 Co-convenor, Mt. Lawley local group Member, West Australian Branch Committee since October 2007 Vice President, WA Branch 2008-2009 President, WA Branch May 2009 – May 2014 Director appointed 16/5/09</p>
<p><i>David Ralph Robertson</i> Dip. Government, Dip. Office Administration, Dip of Human Resources</p> <p>Director</p>	<p>27/1/70</p>	<p>Public Servant, Parliament of Victoria Member of Amnesty International Australia since 1996 Member Victorian Branch Committee 2008 – 2012, Victorian Parliamentary group since 2010, International Criminal Court group 2012. Director appointed 8/7/12 Resigned 21/11/16</p>
<p><i>Katherine Claire Helen Morell Bennett Waterford</i> BA, LLB (Hons), M Comm (Acc), LLM</p> <p>Director</p>	<p>28/1/83</p>	<p>Lawyer and accredited mediator Member of Amnesty International Australia since 2013 Member of ACT/Southern New South Wales Branch Committee since 2013 Director appointed 23/7/14 Director vacated in 20/7/16 Director re-appointed 29/03/17</p>
<p><i>Vicki Jacobs</i></p> <p>BA, Grad Dip Applied Psychology, Grad Dip Business Administration, Master of Business</p> <p>Director</p>	<p>28/3/55</p>	<p>Public Servant Member of Amnesty International Australia since 1989 Member of Western Australian Branch Committee 1990 – 1996 including Branch President 1994 – 1996 Member of South Australia/Northern Territory Branch Committee 1996 to current, incl. Branch President 2004 – 2006 and 2014- 2016 Convenor, Adelaide City Group since 2001 Director 30/5/92 – 26/11/94 Director 8/5/04 – 2/7/06 Director appointed 1/12/14</p>
<p><i>James George Milsom</i></p>	<p>20/7/82</p>	<p>Lawyer</p>

BA, LLB, LLM Director		Member of Amnesty International Australia since 2011 Member of South Australian/Northern Territory Branch Committee 2011-2012 Member of Victorian Branch Committee since 2013 Delegate, International Council Meeting 2013 and 2015 Director 13/1/15 – 16/5/15 and since 5/7/15
<i>Bethan Donnet Frake</i> LLB (Hons), Grad Dip Legal Practice Director	14/3/77	Lawyer Member of Amnesty International Australia since 2014 Member of Tasmanian Branch Committee 2014 to present including Secretary, May 2014 – May 2015 Director appointed 16/5/15
<i>Susanna Petrovna Ritchie</i> LLB (Hons), BA Director	27/9/84	Lawyer Member of Amnesty International Australia since 2012 Member of Victorian Branch Committee 2012 to present including Branch President, 2013 - 2015 Director appointed 16/5/15
<i>Katerina Isabelle Ayse Barbour</i> LLB, BA (Hons) Director	21/12/87	Governance and Risk Officer, Botanic Gardens and Centennial Parklands (Associate, Federal Circuit Court of Australia until 5/12/16) Member of Amnesty International Australia since 2009 Member, New South Wales Branch Committee since 2011 Member, Youth Advisory Group 2009 – 2012 Member, Governance Committee 2010 – 2013 Director appointed 31/8/2015
<i>Paige Garland</i> BBus&Com (Mangt), BA, Dpl of Teaching (Primary) Director	22/06/1967	Supply teacher and company director Member of Amnesty International Australia from Oct 2015 - Oct 2016, then from 15/03/17 Director appointed 23/03/17
<i>Mere Anihira Vitale</i> BA Commerce and Administration (Commercial Law/Human Resources & Industrial Relations) Master of International Development Director	17/10/83	Queensland Branch Manager, Australian Association of Social Workers Member of Amnesty International Australia since 2013 Previously member of Amnesty International New Zealand Treasurer, QLD/NNSW Branch Committee 2014 - 2016 Director appointed 14/5/16 Resigned 12/1/17
<i>Sandra Creamer</i> Director	26/01/61	Consultant, Sandra Creamer Consulting Member of Amnesty International Australia since 2016 Director appointed 19/7/16
<i>Peter Robert James Kempster</i> , B.Coms (Hons), MBA (Distinction), FAICD, FCA, FCPA Director	31/01/59	Member of Amnesty International Australia since 2017 Director appointed 20/2/17

Directors' Attendance at Board Meetings – 2016

Director	Board Meetings		Audit & Risk Committee		Activism and Membership Committee		Governance Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Anthony Mitchell	4	4						
Gabrielle Kavanagh	8	8					3	3
Simon Rumore	6	6					7	6
Giles Gunsekera	8	7	4	4				
Ian Gibson	8	8					7	7
David Robertson	7	6			9	8		
Cetana Das	3	3			3	2		
Gregory Stitt	8	8	4	4	10	10		
Kate Waterford	5	5	2	2	1	1		
James Milsom	8	7						
Vicki Jacobs	8	7			4	4		
Bethan Frake	8	8					7	6
Susanna Ritchie	7	5			8	8		
Katerina Barbour	8	7					7	7
Mere Vitale	5	4			2	1		
Sandra Creamer	2	2						

Director	International Issues Committee		Public Fund Committee		Remuneration Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Anthony Mitchell	2					
Gabrielle Kavanagh	3	3	2	2		
Simon Rumore					2	2
Giles Gunsekera			2	2	2	2
Ian Gibson			2	2		
David Robertson						
Cetana Das						
Gregory Stitt						
Kate Waterford					1	1
James Milsom	3	3				
Vicki Jacobs						
Bethan Frake						
Susanna Ritchie						
Katerina Barbour	1	1				
Mere Vitale						
Sandra Creamer						

The Audit and Risk Committee is responsible for, among other things, monitoring management's strategy for ensuring that the company has implemented appropriate internal controls to address business risks and that these controls are functioning effectively.

The Public Fund Committee oversees the correct administration of gifts and donations.

The Governance Committee is responsible for, among other things, assisting and advising the Board on the company's corporate governance responsibilities and practices. This includes such matters as Director induction, training and development, Director recruitment and performance reviews.



Short and long term objectives

Our vision

Our Global Vision Statement underpins the work of the entire worldwide movement of Amnesty International, and provides a framework for the operation of all Amnesty International Sections. The goals which Amnesty works towards in Australia are set by our Board and Senior Leadership Team with vital input from our supporters.

By 2020, Amnesty International Australia will:

- protect and defend more lives
- be an unstoppable movement
- inspire outstanding passion and commitment.

Our 2016-2020 goals

2016 saw the start of our 2016 - 2020 vision; those goals state that for the next five years Amnesty International Australia will work to achieve the following:

- End the over-representation of Indigenous young people in detention within a generation.
- Refugees and asylum seekers fleeing conflict, crisis, torture or persecution across the globe are able to lead safe and stable lives.
- The human rights of individuals at risk are defended and protected.
- Civilians are protected during conflict and crisis.

Approach to achieving short and long term objectives

Amnesty International Australia identifies opportunities to achieve human rights impact through building strong campaigns and using those campaigns to empower our activists, reach out to new audiences, recruit new supporters and achieve the required pressure that results in positive change.

Principal activities during the year

Amnesty International Australia's principal activities during the course of the financial year were human rights campaigning, awareness raising and fundraising. There have been no significant changes in the nature of these activities during the year.

Throughout the year we made great headway in our campaign to reduce the number of Indigenous kids behind bars. After months of extensive research, interviews with rights holders and policy experts, in August 2016 we released new research into the over-representation of Indigenous youth in Queensland's justice system, including key recommendations to the state and federal governments. Thanks to our research and political lobbying, strong partnership building with rights holders and sustained online and community activism, we secured an end to 17-year-olds being sent to adult prisons in Queensland; blocked a law in the Northern Territory that could have seen kids as young as 10 in jail before trial; and welcomed a Royal Commission into the abuse of kids in Northern Territory detention centres.

This year we also undertook significant campaigning, fundraising and awareness building on the plight of people in Syria. Through our online channels we mobilised supporters to demand international governments take action to save civilian lives. Our supporters' voices put serious pressure on key governments and in December we saw a small victory as people were evacuated safely out of Aleppo.

Our work for the rights of people seeking asylum continued throughout 2016. In the first quarter we worked alongside other community and civil society organisations to halt the government's plan to return 267 people, including babies, to Nauru. We sent a researcher to Nauru in July 2016 and further exposed the Australian Government's systematic abuse of the people trapped there, drumming up intensive media coverage and taking our findings direct to the politicians. When our campaigners heard news of a cruel lifetime ban on offshore refugees, we mobilised supporters to call and meet with their MPs, and together we helped stop the ban from passing.

We also continued our work for individuals at risk through community activism, media and advocacy work, successfully holding many world leaders to account. Phyo Phyo Aung who was detained in 2015 after helping organise peaceful student protests has finally walked free; Dolma, a Tibetan woman at risk of a forced operation was returned to her family; and Albert Woodfox, detained in the US, was released after 43 years in solitary confinement. As part of the global Amnesty movement, we contributed to the release of over 650 people unfairly imprisoned.

2016 Results

The operating deficit for 2016 amounted to \$2.033m (2015: surplus \$3,840m). This was largely driven by a less than expected income and increased spending in fundraising.

Our strong regular giving base meant despite a challenging year for fundraising, our net result was down by only 8%. Recruitment of our regular monthly donors, Human Rights Defenders, was lower than expected. Recruitment through our street and door to door based programs went well, but our telemarketing programs did not meet expectations. A focus on improving the engagement of our generous regular donors saw improvements in the numbers of those that donate over time, although we need to increase the retention rate of new supporters. This year we did not achieve the growth in key areas of cash and donor income with our raffle being cancelled and income from direct mail and events declining. A delayed settlement from a major bequest meant that our bequest budget was not met. Income from our more generous donors increased by 31% compared to the previous year.

The organisation has set key performance indicators (KPIs) to monitor overall performance against the 2020 Vision of Amnesty International Australia and are reported each quarter via our dashboard. These are in addition to KPIs and other measuring tools utilised for individual project, campaigns and work plans. A selection of 2020 organisational KPIs and our performance against these in 2016 and these are listed below:

2016 Result

1- KPI: The number of people taking action in the preceding 12 months

- 2020 Target: 500,000 people as at 31 December
- 2016 Result: 289,931 people took action in the year 2016

2- KPI: Significant reduction in overrepresentation of Indigenous children in detention

- 2020 Target: Reduction of 25% on 2014 levels of 38.5 per 10,000 people
- 2015 Result: 34.9 per 10,000 people as per April 2015 official data

3 - KPI: Broad-based cross party support reflective of the demographics for mainstream political support

- 2020 Target: + or – 0.5 correlation between the AIA supporter numbers in an area and the federal vote for a party in that area
- 2015 Result: GRN 0.6, ALP 0.1 and LNP -0.4 (Supporter mapping to take place 2017)

4 - KPI: Asia Pacific countries are working together to provide just and durable solutions for asylum seekers and refugees

- 2020 Target: Australia resettles 30,000 people referred each year by UNHCR
- 2016 Result: 13,750 places offered

5 - KPI: Our human rights work is recognised and acknowledged

- 2020 Target: 2% p.a. increase in positive response
- 2016 Result: Favourable +2%, Neutral -4%, Unfavourable unchanged

6– KPI- Funding available for human rights work undertaken by AIA

- 2020 Target: Minimum spend of \$30 million over the period 2016-2020
- 2016 Result: Spend was \$5.7 million (cumulative so far)

7- KPI: AIA's income growth

- 2016 Target: AIA annual gross income of \$29.9 million.
- 2016 Result: Gross income \$28.2 million

8 - KPI: AIA's ability to meet our global financial commitments

- 2020 Target: AIA meets International Secretariat determined assessment of \$45.0 million
- 2016 Result: \$7.1 million in assessment contributions (cumulative so far)

Significant Changes in the State of Affairs

There are no significant changes in the state of affairs.

Events Subsequent to Balance Date

In the interval between the end of the financial year and the date of this report, there has not been any transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Environmental Regulations

The company is not subject to any significant environmental regulations under either Commonwealth or State regulation.

Indemnification and insurance of directors and officers

Amnesty International Australia has agreed to indemnify all the directors and executive officers for any breach to the extent and limitations of Amnesty International Australia ForeFront Portfolio insurance policy. The agreement provides for the Company to pay an amount not exceeding \$10,000,000 provided that:

- The liability does not arise out of conduct involving a lack of good faith
- The liability is for costs and expenses incurred by the director or officer in defending proceedings in which judgment is given in their favour or in which they are acquitted

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Liability of Members

The members are members of the public who have paid the annual membership fee. As at 31 December 2016 there were 7,519 members (2015: 7,719 members). A maximum amount of \$1 is guaranteed by each member in the event that the company is wound up. This amount was reduced from a maximum of \$100 guaranteed by each member at the National Annual General Meeting on 3 July 2016.

Solicitors

Minter Ellison
Governor Macquarie Tower,
1 Farrer Place,
Sydney NSW 2000

DLA Piper
Level 22/1 Martin Place,
Sydney NSW 2000

Marque Lawyers
343 George Street
Sydney NSW 2000

Collin Biggers & Paisley Pty Ltd
Level 23, 181 William Street
Melbourne VIC.3000

Bankers

Commonwealth Bank of Australia
Level 12, 363 George Street
Sydney NSW 2000

Westpac
Level 2, 75-85 O'Riordan Street,
Alexandria NSW 2015

Auditors Independence

A declaration of independence has been received from the company's auditors, Ernst & Young. A copy of this declaration is attached in this Annual Financial Report.

Signed in accordance with a resolution of the directors:



Giles Gunsekera
Sydney
Director

Dated: 12th Day of April, 2017

Directors' Declaration

In accordance with a resolution of the directors of Amnesty International Australia, I state that in the opinion of the directors:

- (a) the financial statements and notes of the Company are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Regulation 2013*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the National Board



Giles Gunsekera
Sydney
Director

Dated: 12th day of April, 2017

Financial Statements for the Year Ended 31 December 2016



Statement of Comprehensive Income for the Year Ended 31 December 2016

	2016	2015
	\$	\$
<i>Revenue from operating activities</i>		
<i>Donations/fundraising</i>		
Human rights defender pledges	22,187,256	22,876,802
Mail appeals	860,651	1,013,125
Other donations	3,182,977	2,643,591
Fundraising events	232,614	600,660
Bequests	1,154,459	1,716,990
Membership fees	362,205	368,872
Merchandising	90,756	125,510
<i>Other revenue</i>		
• Pro Bono Deaths in Custody report	0	1,198,535
• Pro Bono other	76,270	254,560
Interest and other	92,813	80,718
Total revenue	28,240,001	30,879,363
<i>Expenditure on Operating Activities</i>		
Human rights campaigning in Australia	(6,509,724)	(5,672,351)
• Pro Bono Deaths in Custody report	(0)	(1,198,535)
• Pro Bono Other	(40,977)	(17,485)
International campaigning and research	(9,023,974)	(6,376,045)
Building our supporter base	(7,414,761)	(7,610,791)
Fundraising	(5,666,063)	(4,177,562)
Merchandise	(62,762)	(126,921)
Governance and democracy	(856,155)	(927,304)
• Pro Bono	(24,287)	(232,593)
Administration and other	(663,404)	(694,855)
• Pro Bono	(11,007)	(4,483)
Total expenses	(30,273,114)	(27,038,925)
Operating Surplus/(Deficit)	(2,033,113)	3,840,438
Other comprehensive income/(loss) for the period	-	-
Total comprehensive income/(loss) for the period	(2,033,113)	3,840,438

Financial Statements for the Year Ended 31 December 2016



Statement of Financial Position as at 31 December 2016

	Note	2016 \$	2015 \$
Assets			
<i>Current Assets</i>			
Cash and cash equivalents	4	4,090,796	6,409,881
Trade and other receivables	5	846,914	510,878
Inventories	7	84,846	78,284
Other current assets	6	274,798	164,565
Total Current Assets		<u>5,297,354</u>	<u>7,163,608</u>
<i>Non-Current Assets</i>			
Other Assets	8	237,093	204,023
Property, plant and equipment	9	539,637	463,998
Intangible assets	10	480,497	853,917
Total Non-Current Assets		<u>1,257,227</u>	<u>1,521,938</u>
Total Assets		<u>6,554,581</u>	<u>8,685,546</u>
Liabilities			
<i>Current Liabilities</i>			
Trade and other payables	11	773,356	889,065
Provisions	13	1,111,424	1,103,446
Total Current Liabilities		<u>1,884,780</u>	<u>1,992,511</u>
<i>Non-Current Liabilities</i>			
Other payables	11	0	6,750
Provisions	14	222,269	205,640
Total Non-Current Liabilities		<u>222,269</u>	<u>212,390</u>
Total Liabilities		<u>2,107,049</u>	<u>2,204,901</u>
Net Assets		<u>4,447,532</u>	<u>6,480,645</u>
Accumulated Surplus			
Retained surplus		<u>4,447,532</u>	<u>6,480,645</u>
Accumulated Surplus		<u>4,447,532</u>	<u>6,480,645</u>

Financial Statements for the Year Ended 31 December 2016



Statement of Cash Flows for the Year Ended 31 December 2016

	Note	2016 \$	2015 \$
Cash Flows from Operating Activities			
Cash receipts in the course of operations		28,070,918	29,345,550
Payments to employees and suppliers		(22,992,333)	(19,828,243)
Interest received		92,813	80,718
Payments to the International Secretariat and other Amnesty International sections		(7,126,652)	(4,435,031)
		(1,955,254)	5,162,994
Net Cash Flows provided by/(used in) Operating Activities			
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(363,831)	(380,233)
Purchase of intangible asset		(0)	(386,472)
		(363,831)	(766,705)
Net Cash Flows provided by/(used in) Investing Activities			
Net increase/(decrease) in cash held		(2,319,085)	4,396,289
Cash at the beginning of the financial year		6,409,881	2,013,592
Cash at the end of the financial year	4	4,090,796	6,409,881

Statement of Changes in Equity for the Year Ended 31 December 2016

	Accumulated surplus \$	Total \$
At 1 January 2015	2,640,207	2,640,207
Surplus for the period	3,840,438	3,840,438
At 31 December 2015	6,480,645	6,480,645
At 1 January 2016	6,480,645	6,480,645
Surplus for the period	<u>(2,033,113)</u>	<u>(2,033,113)</u>
At 31 December 2016	<u>4,447,532</u>	<u>4,447,532</u>

1. CORPORATE INFORMATION

The financial report of Amnesty International Australia for the year ended 31 December 2016 was issued in accordance with a resolution of the directors on the 13th day of April 2017.

Amnesty International Australia is a not-for-profit company limited by guarantee. The registered office is Level 1, 79-83 Myrtle Street, Chippendale, NSW, 2009. The nature of the operations and principal activities are described in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012*, *Australian Accounting Standards- Reduced Disclosure Requirements*, the *Australian Charities and Not-for-profit Commission Regulations 2013* and other authoritative pronouncements of the Australian Accounting Standards Board. It has been prepared on the basis of historical costs, except for financial assets at fair value through the profit and loss that have been measured at fair value. The accounting policies have been consistently applied, unless otherwise stated. The financial report is presented in Australian dollars, unless otherwise stated. The accounts have been rounded to the nearest dollar.

b. Statement of compliance

The financial report complies with Australian Accounting Standards Reduced Disclosure Requirements, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Some AIFRS and other Australian Accounting Standards contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements. The following Australian Accounting Standards include not-for-profit specific requirements which have been applied in preparing this financial report:

- AASB 116: Property, Plant and Equipment
- AASB 119: Employee Benefits
- AASB 136: Impairment of Assets
- AASB 1004: Contributions

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Statement of compliance (continued)

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Company for the annual reporting period ending 31 December 2016. The Directors have not yet assessed the impact of these new or amended standards and interpretation on the Company's financial report.

c. Income tax

Amnesty International Australia is exempt from income tax in Australia under Division 50 of the Income Tax Assessment Act 1997. As specified by the Australian Taxation Office (ATO), Amnesty International Australia completes an annual self-assessment to confirm the exemption.

d. Revenue recognition

Fundraising, bequests, donations and membership fees

Contributions from individuals, local groups and networks of Amnesty International Australia are treated as fundraising revenue and are recognised when received.

Sale of merchandise and publications

Revenue is recognised when the significant risks and rewards of ownership have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

e. Cash and cash equivalents

For the purposes of the statement of cash flows, cash includes cash on hand, at-call or short term deposits with a maturity date of three months or less, and are with banks or financial institutions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Trade and other receivables

Trade receivables are recognised initially at fair value, and subsequently measured less an allowance for uncollectible amounts. The collectability of debts is assessed at the balance sheet date and specific provision is made for any doubtful accounts.

g. Inventories

Inventories are carried at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Finished goods – cost of direct materials, on a weighted average basis.

Net realisable value is the estimated selling price in the normal course of operations, less estimated costs necessary to make the sale.

h. Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Assets are depreciated over their estimated useful lives, using the straight line method, from the date of acquisition.

Depreciation rates used for each class of asset, for the current and previous years, are as follows:

	2016	2015
IT equipment	33.3%	33.3%
Plant and equipment	25%	25%
Leasehold improvements	term of lease	term of lease

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Intangible Assets

Intangible assets were acquired separately and initially measured at cost. Following initial recognition intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised over the useful life of 5 years and the amortisation expense is recognised in the income statement.

The development of commercially saleable in house software is capitalised at the lesser of the fair value and the historical cost of development. Such software is amortised over 5 years.

j. Recoverable amounts of assets

At each reporting date, assets are reviewed to determine whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, and where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amounts are determined for individual assets, unless the value in use cannot be estimated independently from other assets. In this case, the recoverable amount is determined for the cash-generating group of assets to which it belongs.

k. Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged on a straight line basis as expenses over the lease term. Operating lease incentives are recognised as a liability when received and subsequently released over the term of the lease to the income statement.

l. Trade and other payables

Trade and other payables are carried at amortised cost, and are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the company. Trade payables are normally settled within normal trading terms.

m. Provisions

Provisions are recognised when Amnesty International Australia has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where Amnesty International Australia expects some or all of the provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n. Employee benefits

Wages, salaries and annual leave

Liabilities for employee benefits for wages, salaries and annual leave, represent present obligations resulting from employees' services provided up to the balance sheet date, calculated at undiscounted amounts based on remuneration rates that the company expects to pay, expected to be settled within 12 months. Leave entitlements expected to be settled after 12 months measured at the present value of the estimated future cash out flow.

Long service leave

Liabilities for employee benefits for long service leave represent the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the balance sheet date. The provision is calculated using expected future increases in wage and salary rates, including related on-costs and proportion rates based on expected settlement dates and on turnover history. Leave entitlements expected to be settled after 12 months measured at the present value of the estimated future cash out flow.

Superannuation plans

Contributions are made by Amnesty International Australia to defined contribution superannuation funds and are charged as expenses when incurred.

o. Foreign currency translations

Both the functional and presentation currency of Amnesty International Australia is Australian dollars.

Foreign currency transactions are converted to Australian dollars at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at the balance sheet date are converted at the rates of exchange ruling at that date. Gains and losses from conversion of assets and liabilities, whether realised or unrealised, are included in the income statement in the year in which the exchange rates change.

p. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- Where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.
- Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q. Pro bono services and in-kind support

Amnesty International Australia receives pro bono services or goods from a range of providers including legal, information technology and human resource specialists.

Amnesty International Australia has assessed the fair or market value of these professional services or goods at \$76,270 (2015: \$1,453,095). The value of these services goods are recognised in the accounts as income with an equivalent expense.

Amnesty International Australia also receives considerable in-kind support from other individual supporters. No assessment of the value of this support has been attempted as the fair value of this support cannot be reliably determined.

r. Disposal of surplus

Rule 7.1 of Amnesty International Australia's Memorandum of Association prohibits the distribution of any surplus to Members. All income must be applied towards the promotion of the objects of Amnesty International Australia.

The amounts of the reserves are determined through an annual risk based assessment based on Amnesty International guidelines.

s. Volunteer workers

Amnesty International Australia receives considerable services from its many volunteers. No assessment of the value of this support has been attempted as the fair value of this support cannot be reliably determined

t. Significant accounting judgements, estimates and assumptions

The preparation of the financial report requires the making of estimates and assumptions that affect the recognised amounts of assets, liabilities, revenues and expenses. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant estimates

The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period or in the period of revision and future periods if the revision effects both current and future periods.

u. Investments and other financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value. The company determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) *Financial assets at fair value through profit & loss*

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Gains or losses on financial assets held for trading are recognised in profit or loss and the related assets are classified as current assets in the statement of financial position.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired. These are included in current assets, except for those with maturities greater than 12 months after balance date, which are classified as non-current.

v. Fundraising activities

As a Charitable Institution and with Fundraising Authority issued by the NSW Government and deductible recipient status per Section 30-15 of the Income Tax Assessment ACT 1997, Amnesty International Australia is subject to various state legislation and their reporting requirements as detailed below.

Charitable Fundraising Act 1991

This Act and supporting regulations prescribe the manner in which fundraising appeals are to be conducted, controlled and reported in NSW.

The amounts shown in Note 19 are in accordance with S23 (3) of the Act, Sections 5, 7 and 8 of the Regulations and Authority Condition 7.

Donations and bequests

Donations and bequests are recognised as income as and when received in Amnesty International Australia's offices or deposited in Amnesty International Australia's bank account. As specified in the Act, unsolicited donations, members' donations and bequests are not treated as fundraising income when determining information required under the Act.

Costs of fundraising

Costs in Note 19 include all direct fundraising costs in accordance with the Act. The inclusion of indirect costs is discretionary. Indirect costs include overheads such as rent, light, power, insurance and the time spent by accounting and office staff administering appeals and receipting but not directly involved in appeals.

Mail appeals donations and cost allocation

Mail appeals are targeted at both members and non-members. When determining what constitutes fundraising activities as required under the Act, revenue received from members is excluded and a comparable share of costs attributed to members is also excluded.

No costs were attributed to members for a share of raffle, or event costs even though some members would have supported both. The impact on results is not material.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donor acquisition

Bank charges incurred in receiving income from face to face approaches to the public through designated fundraising organisations and mass media appeals are recognised as a direct cost of fundraising. All donations with purchases of merchandise and one-off donations from non-members are assumed to be the result of general campaigns and are reported as such.

3. OPERATING SURPLUS

The operating surplus/ (deficit) has been arrived at after charging the following items:

	2016	2015
	\$	\$
Amortisation expense	373,420	336,950
Depreciation expense	287,635	196,633
Write-down of inventory to net realisable value	1,332	23,714
Operating lease / rental expense	872,433	903,883
Cost of goods sold	45,431	39,647
Contributions to the International Secretariat of AI	7,294,765	4,435,031
Employee benefit expense	9,433,487	8,115,522

4. CASH AND CASH EQUIVALENTS

	2016	2015
	\$	\$
Cash at bank and on hand	4,090,796	6,409,881
	<u>4,090,796</u>	<u>6,409,881</u>

Cash at bank and on hand earns interest at floating rates based on daily bank deposit rates.

4. CASH AND CASH EQUIVALENTS (continued)

a. Reconciliation of cash

For the purposes of the cash flow statement, cash includes cash on hand and at bank and short term deposits at call. Cash at the end of the financial year as shown in the cash flow statement and is reconciled to the related item in the statement of financial position as follows:

	2016	2015
	\$	\$
Cash on hand	2,227	4,421
Group bank accounts	14,536	12,866
Cash at bank	1,677,513	4,492,594
At call deposit	2,396,520	1,900,000
Cash assets	<u>4,090,796</u>	<u>6,409,881</u>

5. TRADE AND OTHER RECEIVABLES

	2016	2015
	\$	\$
Trade receivables	12,094	86,937
Other receivables	834,820	423,941
	<u>846,914</u>	<u>510,878</u>

The carrying values of receivables are a reasonable approximation of fair value.

6. OTHER CURRENT ASSETS

	2016	2015
	\$	\$
Prepayments	253,794	142,047
Other Assets	21,003	22,518
	<u>274,797</u>	<u>164,565</u>

7. INVENTORIES

	2016	2015
	\$	\$
Finished goods	55,957	45,111
Campaign materials	28,889	33,173
	<u>84,846</u>	<u>78,284</u>

Finished goods represent inventories available for sale.

8. NON-CURRENT ASSETS

	2016	2015
	\$	\$
Other Assets	237,093	204,023
	<u>237,093</u>	<u>204,023</u>

9. PROPERTY, PLANT AND EQUIPMENT

	2016	2015
	\$	\$
Plant and equipment, at cost	1,989,772	1,746,343
Less: accumulated depreciation	(1,735,263)	(1,584,354)
Net Plant and equipment	<u>254,509</u>	<u>161,989</u>
Leasehold improvements, at cost	2,021,390	1,901,544
Less: accumulated depreciation	(1,736,262)	(1,599,535)
Net Leasehold improvements	<u>285,128</u>	<u>302,009</u>
Total cost	4,011,162	3,647,887
Total accumulated depreciation	(3,471,525)	(3,183,890)
Total Property, plant and equipment	<u>539,637</u>	<u>463,998</u>

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

	2016 \$	2015 \$
Plant and equipment:		
Carrying amount at beginning of the year	161,988	112,188
Additions	243,985	142,308
Disposal & adjustments	(555)	(2,639)
Depreciation	<u>(150,908)</u>	<u>(89,868)</u>
Carrying amount at the end of the year	<u>254,510</u>	<u>161,989</u>
Leasehold improvements:		
Carrying amount at beginning of the year	302,009	154,605
Additions	119,846	237,926
Disposal	0	(36)
Depreciation	<u>(136,727)</u>	<u>(90,485)</u>
Carrying amount at the end of the year	<u>285,128</u>	<u>302,010</u>
Total Property, plant and equipment:		
Carrying amount at beginning of the year	463,997	266,792
Additions	363,831	380,234
Disposal	(555)	(2,675)
Depreciation	<u>(287,635)</u>	<u>(180,353)</u>
Total carrying amount at the end of the year	<u>539,638</u>	<u>463,998</u>

10. INTANGIBLE ASSETS

	2016 \$	2015 \$
Intangible assets, at cost	1,865,407	1,865,407
Less: accumulated amortisation	<u>(1,384,910)</u>	<u>(1,011,490)</u>
Total Intangible assets	<u>480,497</u>	<u>853,917</u>

Reconciliations of the carrying amounts for each class of intangibles are set out below:

Intangibles:		
Carrying amount at beginning of the year	853,917	810,707
Additions	0	386,472
Disposal	0	(110,312)
Amortisation	<u>(373,420)</u>	<u>(232,950)</u>
Carrying amount at the end of the year	<u>480,497</u>	<u>853,917</u>

As part of the 2016 management decision to replace the current database in 2017, the remaining value of the database will be fully amortised in 2017.

11. TRADE AND OTHER PAYABLES

	2016	2015
	\$	\$
Current		
Trade payables	394,499	538,516
Other payables & accruals	378,857	350,549
	<u>773,356</u>	<u>889,065</u>
Non-current		
Lease incentive accrual	0	6,750
	<u>0</u>	<u>6,750</u>

The carrying values of payables are a reasonable approximation of fair value, due to the short term nature.

12. EMPLOYEE BENEFITS – SUPERANNUATION

Amnesty International Australia makes contributions to defined contribution superannuation funds.

The amount recognised as an expense in the statement of comprehensive income is \$812,935 (2015: \$729,189).

13. CURRENT LIABILITIES – PROVISIONS

	2016	2015
	\$	\$
Long service leave	560,202	608,985
Annual leave	538,221	481,461
Make Good	13,000	13,000
	<u>1,111,423</u>	<u>1,103,446</u>

14. NON-CURRENT LIABILITIES – PROVISIONS

	2016 \$	2015 \$
Make good provision	40,000	40,000
Long service leave	182,269	165,640
	<u>222,269</u>	<u>205,640</u>

(a) *Nature and timing of provisions*

(i) Make good provision

Australian Capital Territory

In accordance with the lease agreement for our ACT Action Centre, Amnesty International Australia must restore the premises to its original condition at the end of the lease term in 2016.

Movement in the make good provision for the year is set out as follows:

	2016 \$	2015 \$
At 1 January	40,000	76,720
Arising/(Utilised) during the year	0	(36,720)
At 31 December	<u>40,000</u>	<u>40,000</u>

(ii) Long service leave

Refer to note 2(n) for the relevant accounting policy.

	2016	2015
Number of employees (Full time equivalent at year end)	80.5	82

15. OPERATING LEASE COMMITMENTS

Amnesty International Australia has entered into commercial leases on certain buildings and items of office equipment.

Lease payments for 2016 totalled \$872,432

The leases on buildings have an average life of between 1 and 7 years with renewal terms included in the contracts. Renewals are at the option of Amnesty International Australia. Most lease contracts provide for escalating lease payments based on general inflationary indices.

The leases for office equipment have an average life of between 2 and 5 years with renewal terms included in the contracts. Renewals are at the option of Amnesty International Australia.

There are no restrictions placed upon the lessee by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as at 31 December 2016 are as follows:

	2016 \$	2015 \$
Within one year	813,023	829,362
After one year but not more than 5 years	1,311,613	1,101,460
More than 5 years	0	0
Total	<u>2,124,636</u>	<u>1,930,822</u>

16. SEGMENT INFORMATION

Amnesty International Australia operates in the human rights industry, specifically human rights campaigning, awareness raising and fundraising in one geographical area - Australia.

17. DIRECTORS' REMUNERATION

All directors at both national and regional level provide their services free of charge. No remuneration was paid to directors except for some reimbursement of expenses incurred in the course of their duties.

18. RELATED PARTIES

a) Directors

There were no loans to Directors at any time in the year ended 31 December 2016. If a Director from time to time purchases goods from the company it is on the same terms and conditions as available to employees.

b) Key management personnel remuneration

The following compensation was made to 5 employees (2015:5 employees) on the Senior Management Team for their contributions as employees for the company and for conducting and directing services.

	2016 \$	2015 \$
Total remuneration	1,221,450	892,303

18. RELATED PARTIES (continued)

c) Transactions with the international movement of Amnesty International and other Amnesty sections.

Based on Amnesty International Australia's financial results from prior periods, the organisation contributes to the international movement via the International Secretariat. The 2016 assessment amount was \$7,115,572 (2015: \$4,416,671) and was paid during the year.

During the year Amnesty International Australia purchased publications and campaign materials from the International Secretariat (IS). The company also incurred costs of \$169,159 for IS staff located in Australia on behalf of the international movement which were deducted from assessment payments.

As at 31 December 2016, there are \$348,692 receivables due from the international movement (2015: \$7,755) and there are \$180,578 (2015: (\$840)) owing to the international movement in 2016.

19. CHARITABLE FUNDRAISING ACT (NSW) 1991

a) Details of aggregated gross income and total expenses of fundraising appeals:

Results of fundraising appeals	2016 \$	2015 \$
Gross income	28,240,001	30,879,363
Less: Proceeds not received from appeals	(4,193,210)	(5,695,329)
Gross proceeds from fundraising appeals	24,046,791	25,184,034
Gross proceeds from fundraising appeals	24,046,791	25,184,034
Less: Direct costs of fundraising appeals	(9,568,851)	(9,606,344)
Net surplus from fundraising appeals	14,477,940	15,577,690

b) Fundraising appeals conducted during the financial year:

Fundraising appeals were conducted during the financial year by mail, telephone, online and through face to face recruitment. In addition funds were raised by donations from non-members and fundraising events.

Donations and fundraising in this note follow the definition in the Charitable Fundraising Act. As such, there are some differences in the classification of items compared to the statement of comprehensive income but the overall totals remain the same.

19 CHARITABLE FUNDRAISING ACT (NSW) 1991 (Continued)

c) Details of Results of Fund Raising Appeals

Types of appeal	Fundraising: Revenue/Expense Comparison 2016			2015		
	Revenue	Expenses	Ratio of cost to Revenue	Revenue	Expenses	Ratio of cost to Revenue
Regular giving	20,709,056	7,710,794	37%	21,877,990	8,001,616	37%
Major Donors	1,185,649	402,542	34%	873,298	311,763	36%
Corp Alliance	150,441	12,897	9%	210,087	46,766	22%
Raffle	-	25,014		260,473	201,149	77%
Telephone	7,309	6,346	87%	22,001	11,509	52%
Email	851,529	868,937	102%	592,220	467,391	79%
Payroll giving	153,855	15,095	10%	143,649	27,880	19%
Sub Total	23,057,839	9,041,625	39%	23,979,718	9,068,074	38%
Events	229,346	149,686	65%	325,200	184,956	57%
Mail Appeals	759,606	377,540	50%	879,115	353,314	40%
Total	24,046,791	9,568,851	40%	25,184,033	9,606,344	38%

For 2016 the ratio of costs to revenue overall is within the 50% guideline. Street face to face fundraising is highly cost effective when considered over a longer period as all fees are paid up front.

20. Contingent Liability

Amnesty International Australia (AIA) entered into a Memorandum of Understanding (MOU) with Amnesty International Limited (AIL) in 2014. The MOU outlines the arrangements between AIA and AIL including contributions AIA makes to AIL.

The purpose of this MOU is to vary the arrangements between AIA and AIL regarding financial contributions for 2015 to 2022. An amount totalling \$4,416,667 was waived by AIL on the contributions AIA was to make during 2015.

The MOU also goes on to state that, from calendar years 1 January 2016 to 31 December 2018, if AIA has cash less short term liabilities in excess of \$4,000,000, AIA will make an additional contribution to AIL of an amount equal to the excess, up to an accumulated maximum of \$2,516,667. This additional contribution is payable in the following calendar year of assessment. A payment of \$180,578 was made in 2017 and recognised in 2016 as per the terms of the MOU.

	2016 \$	2015 \$
Contingent Liability	2,336,088	2,516,667

Declaration by Director in Respect of Fundraising Appeals



I, Giles Gunsekera, a Director of Amnesty International Australia, declare that in my opinion:

- (a) the financial report gives a true and fair view of all income and expenditure of Amnesty International Australia with respect to fundraising appeal activities for the financial year ended 31 December 2016
- (b) the statement of comprehensive income gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 31 December 2016.
- (c) the provisions of the Charitable Fundraising Act 1991 and Regulations and the conditions attached to the authority have been complied with during the period from 1 January 2016 and 31 December 2016.
- (d) the provisions of the Charitable Collections Act 1946 (WA) and Regulations and the conditions attached to the authority have been complied with during the period from 1 January 2016 and 31 December 2016.
- (e) the internal controls exercised by Amnesty International Australia are appropriate and effective in accounting for all income received and applied from any fundraising appeals, although it is not always practicable for the company to establish accounting control over all sources of fundraising appeal activities prior to receipt of these funds by employees of the company.

Dated at Sydney this 12th day of April 2017

A handwritten signature in black ink, appearing to read "Giles Gunsekera".

Giles Gunsekera
Sydney
Director



Ernst & Young
Chartered Accountants
1201 Northbourne Avenue
Canberra ACT 2601 Australia

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Auditor's Independence Declaration to the Directors of Amnesty International Australia

In relation to our audit of the financial report of Amnesty International Australia for the financial year ended 31 December 2016, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Australian Charities and Not-for profits Commission Act 2012* or any applicable code of professional conduct.

Ernst & Young

Gamini Marlinus
Partner
12 April 2017



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Independent auditor's report to the members of Amnesty International Australia

Report on the financial report

Opinion

We have audited the financial report of Amnesty International Australia (the Company), which comprises the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) giving a true and fair view of the Company's financial position as at 31 December 2016 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Report on the requirements of the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2015* and the requirements of the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*

We have audited the financial report as required by Section 24(2) of the *NSW Charitable Fundraising Act 1991* and the *WA Charitable Collections Act (1946)*. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2015* and the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements described in the above-mentioned Acts and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Opinion

In our opinion:

- a) the financial report of Amnesty International Australia has been properly drawn up and associated records have been properly kept during the financial year ended 31 December 2016, in all material respects, in accordance with:
 - i sections 20(1), 22(1-2), 24(1-3) of the *NSW Charitable Fundraising Act 1991*;
 - ii sections 10(6) and 11 of the *NSW Charitable Fundraising Regulations 2015*;
 - iii the *WA Charitable Collections Act (1946)*; and
 - iv the *WA Charitable Collections Regulations (1947)*.
- b) the money received as a result of fundraising appeals conducted by the company during the financial year ended 31 December 2016 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Acts and Regulations.

Ernst & Young

Ernst & Young

Gamini Martinus

Gamini Martinus
Engagement Partner
Sydney
12 April 2017