

**AMNESTY
INTERNATIONAL**



ANNUAL FINANCIAL REPORT

2017

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 2017 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	Birth Date	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>Campaigns Coordinator, United Voice National Office Member of Amnesty International Australia since 2005 Member, NSW Branch Committee since 2006 incl. Vice President 2008 – 2010 and President 2010 – 2011 Delegate, International Council Meeting 2011, 2013 and 2016. Director appointed 13/7/11 Vice President since 2/3/14 President since 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 Member of Amnesty International Australia since 1988 and AI Northern Ireland from 1992 – 1994 Member of Queensland & Northern NSW Branch Committee from 2009 - 2017 Deputy Volunteer Coordinator International Committee Meeting 2011 Director appointed 12/5/12 Resigned 14/5/16 Elected Vice-President 03/07/16</p>
<p><i>Giles Errol Gunesekera</i> <i>MA App. Fin & Inv.</i> <i>B Comm, Cert. Workplace Training,</i> <i>SF Fin, AFAIM, MAITD</i></p> <p>Director Treasurer to 2/7/17</p>	3/11/73	<p>Chief Executive Officer, Global Impact Initiative Member of Amnesty International Australia since 1990 Member, Audit & Risk Committee since 2008 and Chair since 9/7/11 Member of the Speakers Network since 1999 Member of New South Wales Branch Committee 2005 – 2010 NSW Branch Committee Treasurer 2006 – 2010 Chair, Remuneration Committee July 2013 Treasurer since 9/7/11 Director appointed 20/7/10 Resigned 02/07/17</p>
<p><i>Ian Howard Gibson</i> <i>BA (Hons), BEd, LL.M,</i> <i>MProfEthics, DOrgDyn,</i> <i>Barrister and Solicitor</i></p> <p>Director and Company Secretary</p>	14/11/51	<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> Director</p>	<p>23/9/58</p>	<p>Self-employed Software Developer/Electrical Designer Australian Coordinator AI East African Regional Network 1995-1996 Re-joined 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>Katherine Claire Helen Morell Bennett Waterford</i> <i>BA, LLB (Hons), M Comm (Acc), LLM</i> 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> <i>BA, Grad Dip Applied Psychology, Grad Dip Business Administration, Master of Business</i> 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 2014-2017 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> <i>BA, LLB, LLM</i> Director</p>	<p>20/7/82</p>	<p>Lawyer 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 2016 Director 13/1/15 – 16/5/15 and since 5/7/15</p>
<p><i>Bethan Donnet Frake</i> <i>LLB (Hons), Grad Dip Legal Practice</i> Director</p>	<p>14/3/77</p>	<p>Lawyer Member of Amnesty International Australia since 2014 Member of Tasmanian Branch Committee 2014 to present including Secretary, May 2014 – May 2016 Director appointed 16/5/15</p>
<p><i>Susanna Petrovna Ritchie</i> <i>LLB (Hons), BA</i> Director</p>	<p>27/9/84</p>	<p>Lawyer Member of Amnesty International Australia since 2012 Member of Victorian Branch Committee 2012 to present including Branch President, 2013 - 2016 Director appointed 16/5/15</p>
<p><i>Katerina Isabelle Ayse Barbour</i> <i>LLB, BA (Hons)</i> Director</p>	<p>21/12/87</p>	<p>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</p>

<p><i>Paige Garland</i> BBus&Com (Mangt), BA, Dpl of Teaching (Primary)</p> <p>Director</p>	<p>22/06/67</p>	<p>Supply teacher and company director Member of Amnesty International Australia from Oct 2016 - Oct 2017, then from 15/03/17</p> <p>Director appointed 23/03/17</p>
<p><i>Mere Anihira Vitale</i> BA Commerce and Administration (Commercial Law/Human Resources & Industrial Relations) Master of International Development</p> <p>Director</p>	<p>17/10/83</p>	<p>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 - 2017</p> <p>Director appointed 14/5/16 Resigned 12/1/17</p>
<p><i>Sandra Creamer</i></p> <p>Director</p>	<p>26/01/61</p>	<p>Interim CEO, National Aboriginal and Torres Strait Islanders Women's Alliance Member of Amnesty International Australia since 2017 Director appointed 19/7/16</p>
<p><i>Peter Robert James Kempster, B.Coms (Hons), MBA (Distinction), FAICD, FCA, FCPA</i></p> <p>Director Treasurer from 2/7/17</p>	<p>31/01/59</p>	<p>Member of Amnesty International Australia since February 2017</p> <p>Director appointed 20/2/17 Elected Treasurer 2/7/17</p>
<p><i>Elizabeth Ruth Cohen</i> B.Laws/B. Arts (International Studies), MBA, Masters in Business and Environmental Management, GAICD</p> <p>Director</p>	<p>25/08/76</p>	<p>Chief Risk Officer Member of Amnesty International Australia since June 2015 External appointee to Amnesty International Australia Audit and Risk Committee since March 2016 Director elected 02/07/17</p>

Directors' Attendance at Board Meetings – 2017

Director	Board Meetings		Audit & Risk Committee		Activism and Membership Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Gabrielle Kavanagh	7	7	0	0	5	3
Simon Rumore	7	7	0	0	4	4
Giles Gunsekera	5	5	3	3	0	0
Ian Gibson	7	7	0	0	0	0
Peter Kempster	7	7	6	5	0	0
Paige Garland	6	6	0	0	0	0
Gregory Stitt	7	7	7	7	5	5
Kate Waterford	6	6	7	7	0	0
James Milsom	7	7	0	0	0	0
Vicki Jacobs	7	7	0	0	9	7
Bethan Frake	7	7	0	0	0	0
Susanna Ritchie	7	5	0	0	9	8
Katerina Barbour	7	7	0	0	0	0
Mere Vitale	3	3	0	0	0	0
Sandra Creamer	7	6	0	0	0	0
Liz Cohen	2	2	4	4	0	0

Director	Governance Committee		International Issues Committee		Remuneration Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Gabrielle Kavanagh	0	0	3	2	1	1
Simon Rumore	0	0	0	0	1	1
Giles Gunsekera	0	0	0	0	0	0
Ian Gibson	3	3	0	0	1	1
Peter Kempster	0	0	0	0	1	1
Paige Garland	0	0	0	0	0	0
Gregory Stitt	0	0	0	0	0	0
Kate Waterford	0	0	0	0	0	0
James Milsom	0	0	3	3	0	0
Vicki Jacobs	0	0	0	0	0	0
Bethan Frake	3	3	0	0	0	0
Susanna Ritchie	0	0	0	0	0	0
Katerina Barbour	3	1	3	3	0	0
Mere Vitale	0	0	0	0	0	0
Sandra Creamer	0	0	0	0	0	0
Liz Cohen	0	0	0	0	0	0

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 **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.

The **Activism and Membership Committee** has responsibility for oversight for all AI Australia's policies, strategies and programs related to how supporters and members are encouraged, enabled and equipped to be fulfilled and effective participants in the life of the Amnesty International Australia and the movement.

The **International Issues Committee** is generally responsible for assisting and advising the National Board and the organisation about Amnesty International Australia's international engagement and contribution. It also advises the Board on changes and developments within Amnesty International.

The **Remuneration Committee** is generally responsible for assisting and advising the Board and the organisation about Amnesty International Australia's remuneration principles, policies and practices.

The **Public Fund Committee** was wound up following an amendment to the constitution in July 2016 at our Annual General Meeting. This was done on the basis that we do not need to hold a Public Fund under current Australian law.

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 local country Sections. The goals which Amnesty International works towards in Australia are set by our Board and Senior Leadership Team with input from our members, supporters and partner organisations.

Our 2016-2020 goals

By 2020, Amnesty International Australia will:

- Protect and defend more lives
- Be an unstoppable movement
- Inspire outstanding passion and commitment.

Amnesty International Australia will work to achieve the following goals by 2020:

- 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.

The full 2020 Vision, and related performance indicators, is available on the Amnesty International Australia website.

Approach to achieving short and long-term objectives

Amnesty International Australia achieves human rights impact through; researching human rights issues, raising awareness about human rights issues in the media, public and with governments and other decision-makers and mobilising people to pressure governments and others to respect human rights.

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.

We progressed our five-year campaign to reduce the number of Indigenous kids in the youth justice system. Amnesty supporters held events, signed petitions, met with members of parliament and shared information on social media. We achieved major milestones in May, when the Queensland Government announced it will adopt all the recommendations from an independent review into youth detention, and again in December, when the Federal Government ratified an international treaty (OPCAT) to improve the oversight of Australia's detention centres.

Our international work included campaigning to end labour rights abuses on palm oil plantations in Indonesia. Following Amnesty's public campaigning, plantation workers reported improvements to their working conditions and terms of employment. We also undertook significant campaigning, fundraising and awareness building on the situation for Rohingya people in Myanmar.

We continued our work for people unfairly imprisoned and successfully held many world leaders to account. Our grassroots activism and advocacy contributed towards the release of whistleblower Chelsea Manning in the US, and journalist Muhammad Bekzhanov in Uzbekistan.

On our work for the rights of asylum seekers, supporters participated in numerous community events calling for an end to offshore detention. We conducted a research mission to Manus Island in October, where we reported on the conditions and rising tensions. We welcomed the US resettling a small handful of refugees from Manus and Nauru in 2017.

Throughout the year we worked to make marriage equality a reality in Australia, including media, advocacy and public campaigning during the postal plebiscite. Supporters celebrated in December when parliament passed amendments to include same-sex couples in Australia's marriage laws.

2017 Results

The organisation has set key performance indicators (KPIs) to monitor overall performance against the 2020 Vision of Amnesty International Australia and reports on these each quarter via our dashboard. These are in addition to other measures utilised for individual projects, campaigns and work plans. A selection of 2020 organisational KPIs and our performance against these in 2017 are listed below:

2017 Result

- 1 - KPI: The number of people taking action in the preceding 12 months
 - 2020 Target: 500,000 people as at 31 December
 - 2017 Result: 271,000 people took action in the year 2017
- 2 - 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
 - 2017 Result: GRN 0.7, ALP -0.5, LNP -0.1 and Nationals 0.1
- 3 - 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
 - 2017 Result: 22,000 places accepted 2016-17 financial year (through UNHCR and others)
- 4 - KPI: Funding available for human rights work undertaken by AIA
 - 2020 Target: Minimum spend of \$30 million over the period 2016-2020
 - 2017 Result: Spend was \$5.4 million (\$11.1m cumulative so far)
- 5 - KPI: AIA's income growth
 - 2017 Target: AIA annual gross income of \$29.6 million.
 - 2017 Result: Gross income \$28.4 million
- 6 - KPI: AIA's ability to meet our global financial commitments
 - 2020 Target: AIA meets International Secretariat determined assessment of \$45.0 million
 - 2017 Result: \$7.5 million in assessment contributions (cumulative so far \$14.6m)

2017 Results - Fundraising

2017 was a challenging year with many external forces as well as internal system issues seeing a mixed result from the fundraising program.

Overall income was below expectations, although there was a small 0.9% growth in gross income from 2016. Our strong regular giving base (both in terms of our valued monthly donors 'Human Rights Defenders' and regular payroll givers) performed well, in particular for supporters that joined prior to 2017. Recruitment of Human Rights Defenders was lower than expected particularly through our street based and telemarketing programs, impacting on new regular giving income. Amnesty International Australia experienced challenges in the retention rate of our regular donors which meant that the size of our regular donor program finished the year at lower than targeted. A continued focus on improving the engagement of our generous regular donors is a key organisational priority for 2018.

Within our cash programs, Amnesty International Australia's strong long-term bequests strategy meant that legacy gifts outperformed expectations. Our digital program continued to build, particularly within our crisis responsive appeals, complementing our direct mail program. Our identified growth area of income from high-level gifts underperformed, partly due to difficulty in filling key staff vacancies.

2018's identified focus areas will be on donor engagement, recruitment of long term Human Rights Defenders and high level individual gifts.

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 2017 there were 6,716 members (2016: 7,519 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 and Paisley
Level 42, 2 Park Street
Sydney NSW 2000

Bankers

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

Westpac
Level 2, 75-85 O'Riordan Street,
Alexandria NSW 2016

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:

A handwritten signature in black ink, appearing to read 'GKavanagh'.

Gabrielle Kavanagh
Sydney
Director

Dated: 09/04/2018

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 2017 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



Gabrielle Kavanagh
Sydney
Director

Dated: 09/04/2018

Statement of Comprehensive Income for the Year Ended 31 December 2017

	2017	2016
	\$	\$
<i>Revenue from operating activities</i>		
Donations/fundraising		
Human rights defender pledges	22,150,300	22,187,256
Mail appeals	818,908	860,651
Other donations	3,000,092	3,182,977
Fundraising events	82,892	232,614
Bequests	1,976,804	1,154,459
Membership fees	332,152	362,205
Merchandising	27,600	90,756
<i>Other revenue</i>		
• Pro Bono other	63,481	76,270
• Interest and other	34,060	92,813
Total revenue	<u>28,486,289</u>	<u>28,240,001</u>
<i>Expenditure on Operating Activities</i>		
Human rights campaigning in Australia	(6,469,851)	(6,509,724)
• Pro Bono Other	(0)	(40,977)
International campaigning and research	(8,870,727)	(9,023,974)
Building our supporter base	(6,702,772)	(7,414,761)
Fundraising	(5,923,410)	(5,666,063)
• Pro Bono	(1,050)	(0)
Merchandise	(11,086)	(62,762)
Governance and democracy	(705,016)	(856,155)
• Pro Bono	(20,033)	(24,287)
Administration and other	(622,502)	(663,404)
• Pro Bono	(42,397)	(11,007)
Total expenses	<u>(29,368,844)</u>	<u>(30,273,114)</u>
Operating Surplus/(Deficit)	<u>(882,555)</u>	<u>(2,033,113)</u>
Other comprehensive income/(loss) for the period	<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the period	<u>(882,555)</u>	<u>(2,033,113)</u>

Statement of Financial Position as at 31 December 2017

	Note	2017 \$	2016 \$
Assets			
<i>Current Assets</i>			
Cash and cash equivalents	4	2,824,602	4,090,796
Trade and other receivables	5	1,579,620	846,914
Inventories	7	99,240	84,846
Other current assets	6	256,199	274,798
Total Current Assets		4,759,661	5,297,354
<i>Non-Current Assets</i>			
Other Assets	8	226,697	237,093
Property, plant and equipment	9	643,817	539,637
Intangible assets	10	0	480,497
Total Non-Current Assets		870,514	1,257,227
Total Assets		5,630,175	6,554,581
Liabilities			
<i>Current Liabilities</i>			
Trade and other payables	11	740,157	773,356
Provisions	13	1,066,593	1,111,424
Total Current Liabilities		1,806,750	1,884,780
<i>Non-Current Liabilities</i>			
Provisions	14	258,448	222,269
Total Non-Current Liabilities		258,448	222,269
Total Liabilities		2,065,198	2,107,049
Net Assets		3,564,977	4,447,532
Accumulated Surplus			
Retained surplus		3,564,977	4,447,532
Accumulated Surplus		3,564,977	4,447,532

Statement of Cash Flows for the Year Ended 31 December 2017

		2017 \$	2016 \$
Cash Flows from Operating Activities	Note		
Cash receipts in the course of operations		28,409,494	28,070,918
Payments to employees and suppliers		(20,825,739)	(22,992,333)
Interest received		19,975	92,813
Payments to the International Secretariat and other Amnesty International sections		(8,391,669)	(7,126,652)
		<u> </u>	<u> </u>
Net Cash Flows provided by/(used in) Operating Activities		(787,939)	(1,955,254)
		<u> </u>	<u> </u>
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(478,255)	(363,831)
		<u> </u>	<u> </u>
Net Cash Flows provided by/(used in) Investing Activities		(478,255)	(363,831)
		<u> </u>	<u> </u>
Net increase/(decrease) in cash held		(1,266,194)	(2,319,085)
Cash at the beginning of the financial year		<u>4,090,796</u>	<u>6,409,881</u>
Cash at the end of the financial year	4	<u>2,824,602</u>	<u>4,090,796</u>

Statement of Changes in Equity for the Year Ended 31 December 2017

	Accumulated surplus \$	Total \$
At 1 January 2016	6,480,645	6,480,645
Surplus/(Deficit) for the period	(2,033,113)	(2,033,113)
At 31 December 2016	4,447,532	4,447,532
At 1 January 2017	4,447,532	4,447,532
Surplus/(Deficit) for the period	<u>(882,555)</u>	<u>(882,555)</u>
At 31 December 2017	<u>3,564,977</u>	<u>3,564,977</u>



1. CORPORATE INFORMATION

The financial report of Amnesty International Australia for the year ended 31 December 2017 was issued in accordance with a resolution of the directors on the 8th day of April 2018.

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 2017. 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:

	2017	2016
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. Following decision to no longer use the in-house software the intangible assets has been fully amortised due to the adjustment in useful life.

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 settle 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 \$63,481 (2016: \$76,270). 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:

	2017	2016
	\$	\$
Amortisation expense	480,497	373,420
Depreciation expense	372,283	287,635
Write-down of inventory to net realisable value	16	1,332
Operating lease / rental expense	888,130	872,433
Cost of goods sold	2,761	45,431
Contributions to the International Secretariat of AI	7,451,827	7,294,765
Employee benefit expense	9,050,127	9,433,487

4. CASH AND CASH EQUIVALENTS

	2017	2016
	\$	\$
Cash at bank and on hand	2,824,602	4,090,796
	<u>2,824,602</u>	<u>4,090,796</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:

	2017	2016
	\$	\$
Cash on hand	3,255	2,227
Group bank accounts	13,548	14,536
Cash at bank	2,030,977	1,677,513
At call deposit	733,767	2,396,520
Shares	43,055	0
Cash assets	<u>2,824,602</u>	<u>4,090,796</u>

5. TRADE AND OTHER RECEIVABLES

	2017	2016
	\$	\$
Trade receivables	3,063	12,094
Other receivables	1,576,557	834,820
	<u>1,579,620</u>	<u>846,914</u>

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

6. OTHER CURRENT ASSETS

	2017	2016
	\$	\$
Prepayments	225,406	253,794
Other Assets	30,793	21,003
	<u>256,199</u>	<u>274,797</u>



7. INVENTORIES

	2017	2016
	\$	\$
Finished goods	54,827	55,957
Campaign materials	44,413	28,889
	<u>\$99,240</u>	<u>84,846</u>

Finished goods represent inventories available for sale.

8. NON-CURRENT ASSETS

	2017	2016
	\$	\$
Other Assets	226,697	237,093
	<u>226,697</u>	<u>237,093</u>

9. PROPERTY, PLANT AND EQUIPMENT

	2017	2016
	\$	\$
Plant and equipment, at cost	2,237,302	1,989,772
Less: accumulated depreciation	<u>(1,939,932)</u>	<u>(1,735,263)</u>
Net Plant and equipment	<u>297,370</u>	<u>254,509</u>
Leasehold improvements, at cost	2,250,322	2,021,390
Less: accumulated depreciation	<u>(1,903,875)</u>	<u>(1,736,262)</u>
Net Leasehold improvements	<u>346,447</u>	<u>285,128</u>
Total cost	4,487,624	4,011,162
Total accumulated depreciation	<u>(3,843,807)</u>	<u>(3,471,525)</u>
Total Property, plant and equipment	<u>643,817</u>	<u>539,637</u>


9. PROPERTY, PLANT AND EQUIPMENT (Continued)

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

	2017 \$	2016 \$
Plant and equipment:		
Carrying amount at beginning of the year	254,510	161,988
Additions	249,323	243,985
Disposal & adjustments	(1,793)	(555)
Depreciation	<u>(204,670)</u>	<u>(150,908)</u>
Carrying amount at the end of the year	<u>297,370</u>	<u>254,510</u>
Leasehold improvements:		
Carrying amount at beginning of the year	285,128	302,009
Additions	228,932	119,846
Disposal	0	0
Depreciation	<u>(167,613)</u>	<u>(136,727)</u>
Carrying amount at the end of the year	<u>346,447</u>	<u>285,128</u>
Total Property, plant and equipment:		
Carrying amount at beginning of the year	539,637	463,997
Additions	478,255	363,831
Disposal	(1,793)	(555)
Depreciation	<u>(372,283)</u>	<u>(287,635)</u>
Total carrying amount at the end of the year	<u>643,817</u>	<u>539,638</u>

10. INTANGIBLE ASSETS

	2017 \$	2016 \$
Intangible assets, at cost	1,865,407	1,865,407
Less: accumulated amortisation	<u>(1,865,407)</u>	<u>(1,384,910)</u>
Total intangible assets	<u>0</u>	<u>480,497</u>

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

Intangibles:		
Carrying amount at beginning of the year	480,497	853,917
Additions	0	0
Disposal	0	0
Amortisation	<u>(480,497)</u>	<u>(373,420)</u>
Carrying amount at the end of the year	<u>0</u>	<u>480,497</u>

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



11. TRADE AND OTHER PAYABLES

	2017 \$	2016 \$
Trade payables	346,470	394,499
Other payables & accruals	393,687	378,857
	<u>740,157</u>	<u>773,356</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 \$802,345 (2016: \$812,935).

13. CURRENT LIABILITIES – PROVISIONS

	2017 \$	2016 \$
Long service leave	559,624	560,202
Annual leave	506,969	538,222
Make Good	0	13,000
	<u>1,066,593</u>	<u>1,111,424</u>



14. NON-CURRENT LIABILITIES – PROVISIONS

	2017 \$	2016 \$
Make good	113,000	40,000
Long service leave	145,448	182,269
	<u>258,448</u>	<u>222,269</u>

(a) Nature and timing of provisions

(i) Make good provision

Queensland 2019
South Australia 2020
Australian Capital Territory 2020
Victoria 2022

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

	2017 \$	2016 \$
At 1 January	40,000	40,000
Arising/(Utilised) during the year	73,000	0
At 31 December	<u>113,000</u>	<u>40,000</u>

(ii) Long service leave

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

	2017	2016
Number of employees (Full time equivalent at year end)	82.3	80.5

15. OPERATING LEASE COMMITMENTS

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

Lease payments for 2017 totalled \$873,608 (2016: \$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 2017 are as follows:

	2017 \$	2016 \$
Within one year	856,263	813,023
After one year but not more than 5 years	3,006,433	1,311,613
More than 5 years	0	0
Total	<u>3,862,696</u>	<u>2,124,636</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 2017. 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 paid to 7 employees (2016:5 employees) on the Senior Leadership Team (SLT) during the year for their contributions as employees for the company and for conducting and directing services. 2 of these payments were for staff that left in 2016 (minor agreed adjustments to severance pay), and one for a SLT member that resigned in 2017. There are four permanent roles on the SLT. 2016 included leave and severance payments to three SLT members.

	2017 \$	2016 \$
Total remuneration	797,599	1,221,450

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 2017 assessment amount was \$7,451,827 (2016: \$7,115,572) 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 \$343,599 for IS staff located in Australia (2016:\$169,159) on behalf of the international movement which were deducted from assessment payments.

As at 31 December 2017, there are \$1,156,574 receivables due from the international movement (2016: \$348,692) and there are \$24,173 (2016: \$180,578) owing to the international movement in 2017.

19. CHARITABLE FUNDRAISING ACT (NSW) 1991
a) Details of aggregated gross income and total expenses of fundraising appeals:

Results of fundraising appeals	2017 \$	2016 \$
Gross income	28,486,289	28,240,001
Less: Proceeds not received from appeals	(4,810,786)	(4,193,210)
Gross proceeds from fundraising appeals	23,675,503	24,046,791
Gross proceeds from fundraising appeals	23,675,503	24,046,791
Less: Direct costs of fundraising appeals	(8,961,556)	(9,568,851)
Net surplus from fundraising appeals	14,713,947	14,477,940

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 Fundraising Appeals

Types of appeal	Fundraising: Revenue/Expense Comparison 2017			2016		Ratio of cost to Revenue
	Revenue	Expenses	Ratio of cost to Revenue	Revenue	Expenses	
Regular giving	20,734,919	7,333,214	35%	20,709,056	7,710,794	37%
Major Donors	1,028,129	339,156	33%	1,185,649	402,542	34%
Corp Alliance	202,121	7,999	4%	150,441	12,897	9%
Raffle	0	0		0	25,014	
Telephone	505	405	80%	7,309	6,346	87%
Email	775,611	887,162	114%	851,529	868,937	102%
Payroll giving	155,191	27,626	18%	153,855	15,095	10%
Sub Total	22,896,476	8,595,562	38%	23,057,839	9,041,625	39%
Events	58,248	21,446	37%	229,346	149,686	65%
Mail Appeals	720,779	344,548	48%	759,606	377,540	50%
Total	23,675,503	8,961,556	38%	24,046,791	9,568,851	40%

For 2017 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 2016 to 2022. An amount totalling \$4,416,667 was waived by AIL on the contributions AIA was to make during 2016.

The MOU also goes on to state that, from calendar years 1 January 2017 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. No payment was made in 2018 for 2017 as per the terms of the MOU as AIA had cash less short term liabilities less than \$4,000,000.

	2017	2016
	\$	\$
Contingent Liability	2,336,088	2,336,088



I, Gabrielle Kavanagh, 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 2017
- (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 2017
- (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 2017 and 31 December 2017
- (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 2017 and 31 December 2017
- (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 9th day of April 2018

A handwritten signature in black ink, appearing to read 'GK'.

Gabrielle Kavanagh
Sydney
Director



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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 2017, 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 any applicable code of professional conduct.

Ernst & Young

Gamini Martinus
Partner
9 April 2018

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 2017, 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 2017 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 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.

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/auditors_files/ar3.pdf. 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 Act(s) 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 2017, 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 2017 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Act(s) and Regulations.

Ernst & Young

Ernst & Young

Gamini Martinus

Gamini Martinus
Partner
Sydney
9 April 2018