

**AMNESTY  
INTERNATIONAL**



# **ANNUAL FINANCIAL REPORT**

**2019**

**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 2019 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> <i>Juris Doctor</i></p> <p>Director and Board Chair</p>	<p>19/4/85</p>	<p>Strategy Coordinator, United Voice 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, 2015, 2016 and 2017. Director appointed 13/07/11 Vice President since 02/03/14 President since 03/07/16</p> <p>Director re-elected 13/10/2019 for 3 years</p>
<p><i>Katherine Claire Helen Morell Bennett Waterford</i> <i>BA, LLB (Hons), M Comm (Acc), LLM, GAICD</i></p> <p>Director and Vice President</p>	<p>28/1/83</p>	<p>Special Counsel, Maliganis Edwards Johnson, Solicitors Director, Physiotherapy Board of Australia (AHPRA) Member of Amnesty International Australia since 2013 Member of ACT/Southern New South Wales Branch Committee from 2013 to 28/10/18 Director appointed 23/7/14 Director vacated 20/07/16 Director re-appointed 29/03/17 Elected Vice President 28/10/18 Resigned 13/10/19</p>
<p><i>Ian Howard Gibson</i> <i>BA (Hons), BEd, LLM, MProfEthics, DOrgDyn, Barrister and Solicitor</i></p> <p>Director and National Secretary</p>	<p>14/11/51</p>	<p>General Counsel, Victorian Government Solicitor's Office; Notary Public 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 &amp; 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 Company Secretary appointed 07/07/15 - 27/11/17 National Secretary appointed 07/07/15 - 13/10/2019</p> <p>Director re-elected 13/10/2019 for 2 years</p>
<p><i>Elizabeth Ruth Cohen</i> <i>B.Laws/B. Arts (International Studies), MBA, Masters in Business and Environmental Management, GAICD</i></p> <p>Director and Treasurer</p>	<p>25/08/76</p>	<p>Chief Risk and Compliance Officer, Sympli Pty Ltd Member of Amnesty International Australia since 2015 External appointee to Amnesty International Australia Audit and Risk Committee since March 2016 Director elected 02/07/17 Elected Treasurer 25/11/18 Resigned 20/05/19</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          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          Resigned 13/10/19</p>
<p><i>Vicki Jacobs</i></p> <p><i>BA, Grad Dip Applied Psychology, Grad Dip Business Administration, Master of Business</i></p> <p>Director</p>	<p>28/3/55</p>	<p>Consultant Aboriginal Health, Country Health SA Local Health Network Inc.          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>Director re-elected 13/10/2019 for 2 years</p>
<p><i>James George Milsom</i> <i>BA, LLB, LLM</i></p> <p>Director</p>	<p>20/7/82</p>	<p>Composer / producer          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          Resigned 13/10/19</p>
<p><i>Bethan Donnet Frake</i> <i>LLB (Hons), Grad Dip Legal Practice</i></p> <p>Director</p>	<p>14/3/77</p>	<p>Principal, BDF Law          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          Resigned 13/10/19</p>
<p><i>Susanna Petrovna Ritchie</i> <i>LLB (Hons), BA</i></p> <p>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 - 2015          Director appointed 16/5/15          LOA from 26/11/18-22/2/19          Resigned 01/07/19</p>
<p><i>Katerina Isabelle Ayse Barbour</i> <i>LLB, BA (Hons)</i></p> <p>Director</p>	<p>21/12/87</p>	<p>Governance and Risk Officer, New South Wales Public Service          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          Resigned 13/10/19</p>
<p><i>Paige Garland</i> <i>BBus&amp;Com (Mangt), BA, Dpl of Teaching (Primary)</i></p>	<p>22/06/67</p>	<p>Company Director          Supply teacher, Department of Education QLD          Member of Amnesty International Australia from Oct 2015 - Oct 2016, then from March 2017</p>

Director		Director appointed 23/03/17 Resigned 13/10/19
<i>Mario Santos</i> <i>Master in International Relations Asia-Pacific (with distinction), Master in Human Rights Law (HD), GAICD</i>	16/04/69	Director elected 28/10/18 Member of Amnesty International Australia since October 2014 Member Audit & Risk Committee since November 2018 Chair Audit & Risk Committee since June 2019  Director re-elected 13/10/19 for 3 years
Director <i>Lisa Annese</i> <i>BBus &amp; GradDip HR</i>	29/07/68	Chief Executive Officer, Diversity Council of Australia  Director elected 13/10/2019 for 3 years Member of Amnesty International Australia since February 2019
Director <i>Michael Dundon</i> <i>BEc, FCA, GAID</i>	04/06/58	Chief Executive Officer, VicSuper Pty Ltd Director elected 13/10/2019 for 1 year Member of Amnesty International Australia since September 2019 Member Audit & Risk Committee since November 2019
Director <i>Paul O'Neill</i> <i>LLB, Master in Human Rights Law, MBA, GAICD, FAIM, FGIA</i>	12/05/69	Chief Executive Officer, Murray Valley Aboriginal Cooperative  Director elected 13/10/2019 for 1 year Member of Amnesty International Australia since September 2019
Director <i>Catherine Elizabeth Dalrymple Wood</i> <i>BA LLB, LLM (International Law), Dip.Leg.S</i>  Company Secretary (staff member)	21/02/69	Company Secretary appointed 27/11/17

Directors' Attendance at Board Meetings – 2019

Director	Board Meetings		Audit and Risk Committee		Activism and Membership Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Gabrielle Kavanagh	10	10	0	0	0	0
Ian Gibson	10	10	0	0	0	0
Paige Garland	9	8	0	0	0	0
Gregory Stitt	9	9	6	6	0	0
Kate Waterford	9	9	0	0	9	8
James Milsom	9	7	0	0	0	0
Vicki Jacobs	10	8	0	0	10	8
Bethan Frake	9	8	0	0	0	0
Susanna Ritchie	5	5	0	0	0	0
Katerina Barbour	9	9	0	0	0	0
Liz Cohen	7	6	4	4	0	0
Mario Santos	8	8	8	8	0	0
Lisa Annese	1	1	0	0	0	0
Paul O'Neill	1	1	0	0	2	2
Michael Dundon	1	1	1	1	0	0

Director	Governance Committee		International Issues Committee	
	Eligible to attend	Attended	Eligible to attend	Attended
Gabrielle Kavanagh	0	0	3	3
Ian Gibson	6	6	0	0
Paige Garland	0	0	0	0
Gregory Stitt	0	0	0	0
Kate Waterford	0	0	0	0
James Milsom	0	0	3	2
Vicki Jacobs	0	0	0	0
Bethan Frake	5	5	0	0
Susanna Ritchie	0	0	0	0
Katerina Barbour	0	0	3	3
Liz Cohen	0	0	0	0
Mario Santos	0	0	0	0
Lisa Annese	0	0	0	0
Paul O'Neill	0	0	0	0
Michael Dundon	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 and performance reviews.

The **Activism and Membership Committee** has responsibility for oversight for all Amnesty International 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 Company about Amnesty International Australia's international engagement and contribution. It also advises the Board on changes and developments within Amnesty International.

## Governance reform

Amnesty International Australia undertook a review of its governance structures, processes and functions culminating in changes being approved at its general meeting in October 2018. The changes included reducing the National Board from 14 members to 7, with an option to co-opt two additional members based on skills requirements. This new structure transitioned into place over the course of 2019.

## 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 vital input from our members, supporters and partner organisations.

### Our 2016-2020 goals

By 2020, Amnesty International Australia (AIA) will:

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

AIA 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 AIA website.

## Approach to achieving short and long-term objectives

AIA 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

AIA'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.

AIA led the international campaign, with former soccerroo and broadcaster, Craig Foster, to free former refugee Hakeem al Araibi, from detention in Bangkok, Thailand. Amnesty mobilised more than 165,000 people across Australia, and worked with a small coalition of organisations to mobilise the football community to advocate for Hakeem's release. Achieving the release of Hakeem also provided a positive mechanism and outlet for the Australian community to push back against the anti-muslim, anti-refugee narrative being promoted by some parliamentarians and sections of the media

Our #RaiseTheAge campaign, took the imprisonment of young people, particularly indigenous children to the forefront of decision makers. Through our analysis of Freedom of Information and other evidence, Amnesty worked with community members and young people directly affected to highlight the brutal treatment of children as young as ten years old in Queensland watch houses. Through national media coverage and a sustained and targeted campaign, Amnesty achieved legislative change and more than \$500 million in funding to assist young people from coming into contact with the criminal justice system in

Queensland and in so doing, developed a benchmark to advance similar changes in other states and territories.

Amnesty International also assisted people find safety from the Australian Government's offshore detention regime. By working with stranded refugees and other individuals and organisations in Switzerland, Canada, the USA and New Zealand, we established new pathways for refugees and people seeking asylum to be resettled from the Australian Government's offshore detention centres in Papua New Guinea and Nauru.

By working with human rights defenders and those directly affected members from Uyghur, Rohingya, Papuan and other diasporas, AIA brought immediate human rights breaches to the attention of decision makers in our state and federal parliaments. Amnesty International Australia supporters took more than 800,000 actions for the human rights of individuals at risk, which resulted in positive human rights outcomes for 84 people.

### **2019 Results – Fundraising**

AIA relies almost entirely on funds raised from the public and our supporters. To keep our independence and impartiality, we do not accept funds from governments or political groups. Almost 80% of our income comes from our committed regular donors who give us an average of \$34 every four weeks through our Human Rights Defender (HRD) program.

2019 was another challenging year producing a mixed result from the fundraising program. Total income declined year on year by 9.1% primarily associated with higher donor attrition rates. To address the decline in income, during 2019 AIA focused on quality regular donor recruitment, providing a higher level of supporter care, a higher-level individual gifts and diversifying income streams. The priority for Amnesty International Australia remains to invest in creating sustainable, reliable and diverse income streams. The strategy aims to achieve budget targets each year while growing the supporter base through deeper engagement.

### **2019 Results – Financial Results**

AIA's financial result in 2019 was an \$865K surplus, which was a substantial improvement on a \$1.2M deficit in 2018. The result was a significant achievement given the challenges associated with an organisational restructure implemented at the start of 2019. The restructure and accompanying cost reduction programs successfully delivered a 23% reduction in operating costs in 2019 (down from \$13.2M in 2018 to \$10.1M in 2019).

In order to improve its organisational sustainability, effectiveness and impact, AIA underwent a restructuring of its operations in early 2019. The direct cost of this transition was \$723,009.

### **Significant Changes in the State of Affairs**

There are no significant changes in the state of affairs.

### **Events Subsequent to Balance Date**

Subsequent to end of the financial year, the COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020.

We have not seen a significant impact on Amnesty International Australia to date. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our Company. The scale and duration of these developments remain uncertain as at the date of this report however they will have an impact on our earnings, cash flow and financial condition.

It is not possible to estimate the impact of the outbreak's near-term and longer effects or Governments' varying efforts to combat the outbreak and support businesses. This being the case, we do not consider

it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the Company at this time.

The financial statements have been prepared based upon conditions existing at 31 December 2019 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to financial statements as at 31 December 2019 for the impacts of COVID-19.

### **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 2019 there were members 5,162 (2018: 6,576 members). A maximum amount of \$1 is guaranteed by each member in the event that the Company is wound up.

### **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

At the beginning of 2019 Amnesty International Australia ceased working with Westpac for banking services.


**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:



Mario Santos  
Melbourne  
Director



Dated: 30/04/2020

### Directors' Declaration

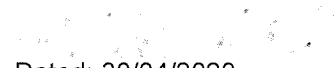
In accordance with a resolution of the directors of Amnesty International Australia, I state that in the opinion of the directors:

- (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 2019 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



Mario Santos  
Melbourne  
Director

  
Dated: 30/04/2020


**Statement of Comprehensive Income for the Year Ended 31 December 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<i>Revenue from operating activities</i>		
Donations/fundraising		
Human rights defender pledges	18,476,287	20,389,961
Non-regular donations	2,035,507	2,513,016
Other donations	1,593,675	1,410,209
Fundraising events	19,331	24,891
Bequests	1,540,667	895,349
Membership fees	118,818	236,371
<i>Other revenue</i>		
Pro Bono other	103,094	662,703
Interest and other	45,995	23,833
<b>Total revenue</b>	<b><u>23,933,374</u></b>	<b><u>26,156,333</u></b>
<i>Expenditure on Operating Activities</i>		
Human rights campaigning in Australia	(4,602,808)	(5,006,856)
Pro Bono	(15,904)	(99,838)
International campaigning and research	(4,310,724)	(6,441,651)
Pro Bono	(14,895)	(112,829)
Building our supporter base	(7,163,223)	(7,337,298)
Pro Bono	(24,751)	(138,516)
Fundraising	(5,733,890)	(6,572,008)
Pro Bono	(19,812)	(125,772)
Governance and democracy	(365,720)	(769,053)
Pro Bono	(10,107)	(84,842)
Administration and other	(788,556)	(622,472)
Pro Bono	(17,626)	(100,906)
<b>Total expenses</b>	<b><u>(23,068,016)</u></b>	<b><u>(27,412,042)</u></b>
<b>Operating Surplus/(Deficit)</b>	<b><u>865,358</u></b>	<b><u>(1,255,709)</u></b>
<b>Other comprehensive income/(loss) for the period</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total comprehensive income/(loss) for the period</b>	<b><u>865,358</u></b>	<b><u>(1,255,709)</u></b>

Building our supporter base includes costs relating to the acquisition of new donors, members and activists. Governance and democracy include costs relating to the Annual General Meeting, International Council Meeting, Board of Directors and other governance expenditure.



## Statement of Financial Position as at 31 December 2019

	Note	2019 \$	2018 \$
<b>Assets</b>			
<i>Current Assets</i>			
Cash and cash equivalents	4	4,886,644	3,934,731
Trade and other receivables	5	491,969	810,986
Inventories	7	50,509	55,855
Other current assets	6	566,011	270,295
<i>Total Current Assets</i>		<u>5,995,133</u>	<u>5,071,867</u>
<i>Non-Current Assets</i>			
Right of Use Leased Assets	8	2,531,254	-
Other Assets	9	236,433	264,278
Property, plant and equipment	10	277,541	430,570
Intangible assets	11	240,105	251,359
<i>Total Non-Current Assets</i>		<u>3,285,333</u>	<u>946,206</u>
<b>Total Assets</b>		<u>9,280,466</u>	<u>6,018,073</u>
<b>Liabilities</b>			
<i>Current Liabilities</i>			
Trade and other payables	12	2,330,961	2,217,010
Provisions	14	713,711	1,069,279
Lease liability	15	878,601	-
<i>Total Current Liabilities</i>		<u>3,923,273</u>	<u>3,286,289</u>
<i>Non-Current Liabilities</i>			
Lease Liability	15	1,811,750	-
Provisions	16	236,087	287,787
<i>Total Non-Current Liabilities</i>		<u>2,047,837</u>	<u>287,787</u>
<b>Total Liabilities</b>		<u>5,971,110</u>	<u>3,574,076</u>
<b>Net Assets</b>		<u>3,309,356</u>	<u>2,443,998</u>
<b>Accumulated Surplus</b>			
Retained surplus		<u>3,309,356</u>	<u>2,443,998</u>
<b>Accumulated Surplus</b>		<u>3,309,356</u>	<u>2,443,998</u>

**Statement of Cash Flows for the Year Ended 31 December 2019**

		<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
<b>Cash Flows from Operating Activities</b>	<b>Note</b>		
Cash receipts in the course of operations		23,741,983	25,476,153
Payments to employees and suppliers		(18,761,563)	(22,108,795)
Interest received		19,572	17,280
Payments to the International Secretariat and other Amnesty International sections		(2,998,204)	(1,858,602)
<b>Net Cash Flows provided by Operating Activities</b>		<b>2,001,788</b>	<b>1,526,036</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of property, plant and equipment		(129,442)	(372,852)
<b>Net Cash Flows provided used in Investing Activities</b>		<b>(129,442)</b>	<b>(372,852)</b>
<b>Cash Flows from Financing Activities</b>			
Repayment of leasing liabilities		(841,705)	-
Interest paid on leasing liabilities		(78,728)	-
<b>Net Cash Flows provided used in Financing Activities</b>		<b>(920,433)</b>	<b>-</b>
Net increase/(decrease) in cash held		951,913	1,153,184
Cash at the beginning of the financial year		3,934,731	2,781,547
<b>Cash at the end of the financial year</b>	<b>4</b>	<b>4,886,644</b>	<b>3,934,731</b>

**Statement of Changes in Equity for the Year Ended 31 December 2019**

	<b>Accumulated surplus</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
At 1 January 2018	3,699,707	3,699,707
Surplus/(Deficit) for the period	(1,255,709)	(1,255,709)
<b>At 31 December 2018</b>	<b>2,443,998</b>	<b>2,443,998</b>
At 1 January 2019	2,443,998	2,443,998
Surplus/(Deficit) for the period	865,358	865,358
<b>At 31 December 2019</b>	<b>3,309,356</b>	<b>3,309,356</b>

## Notes to the Financial Statements

### 1. CORPORATE INFORMATION

The financial report of Amnesty International Australia for the year ended 31 December 2019 was issued in accordance with a resolution of the directors on the 28th day of April 2020.

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 shares). 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.

#### c. Income tax

Amnesty International Australia is exempt from income tax in Australia under Division 50 of the Income Tax Assessment Act 1997.

#### d. New Accounting Standards Adopted by the Entity

The Company has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2019.

New and revised Standards and amendments thereof and interpretations effective for the current year that are relevant to the Company include:

- AASB 15: Revenue from Contracts with Customers
- AASB 1058: Income of Not-for-Profit Entities
- AASB 16: Leases

#### **AASB 15: Revenue from Contracts with Customers**

The core principle underlying the new model is that an entity should recognise revenue in a manner that depicts the pattern of transfer of goods and services to customers. The amount recognised should reflect the amount to which the entity expects to be entitled in exchange for those goods and services. AASB 15 adopts a five-step model to determine the revenue to be recognised.

1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract(s)
3. Determine the transaction price

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### d. New Accounting Standards Adopted by the Entity (continued)

4. Allocate the transaction price to those performance obligations
5. Recognise revenue when (or as) performance obligations are satisfied

The income streams that are impacted by AASB 15 are membership, income from events and revenue from merchandise. The impact of AASB 15 is presently not material.

#### AASB 1058: Income of Not-for-Profit Entities

In the current year, the Company has applied AASB 1058: Income of Not-for-Profit Entities which is effective for an annual reporting period that begins on or after 1 January 2019.

AASB 1058 applies to transactions of not-for-profit entities where the consideration to acquire an asset is significantly less than fair value principally to enable the entity to further its objectives.

AASB 1058 applies to the vast majority of the Company's income, including to Human rights defender pledges, non-regular donations and other donations.

Despite its applicability, the introduction of the new revenue standard has not had a material impact on the Company's financial position, profit or loss, other comprehensive income or total comprehensive income in the financial year.

#### AASB 16: Leases

The Company has adopted AASB using the modified retrospective approach. Under this approach, comparative amounts are not restated, and the lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted averaged incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3.5%. As a practical expedient, a single discount rate has been applied to this portfolio of leases as they have reasonably similar characteristics.

	<b>2019</b> <b>\$</b>
Operating lease commitments disclosed as at 31 December 2018	3,389,851
Discounted using the lessee's incremental borrowing rate at date of initial application	(410,153)
<b>Lease liability recognised as at 1 January 2019</b>	<b><u>2,979,698</u></b>
Of which are:	
Current lease liabilities	814,282
Non-current lease liabilities	2,165,416
	<b><u>2,979,698</u></b>

The associated right of use assets for property leases were measured on a modified retrospective basis and have therefore been applied from the beginning of the current period. There were no onerous lease contracts that would have required an adjustment to the right-of-use asset at the date of initial application.

The recognised right of use assets relates to office premises and equipment leases.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### d. New Accounting Standards Adopted by the Entity (continued)

	31 December 2019 \$	1 January 2019 \$
Premises	2,373,866	2,979,698
Equipment	157,388	-
<b>Total right of use assets</b>	<b><u>2,531,254</u></b>	<b><u>2,979,698</u></b>

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- Right of use assets, increased by \$2,979,698
- Lease liabilities increased by \$2,979,698

Impact on the profit and loss for the year 2019:

- Increase in amortisation cost \$921,471
- Increase in interest expense \$78,729
- Decrease in rent expenses \$920,434
- A net impact to reduce surplus by in the profit and loss \$79,766

Impact on the cash flow statement for the year 2019:

- Increase in net cash flows provided by operating activities \$920,433
- Decrease in net cash flow used in financing activities \$920,433

### e. Revenue recognition

#### *Fundraising and donations*

Donations collected are recognised as revenue when the Company gains control of the funds.

#### *Bequests*

Bequests are recognised as revenue either immediately upon control of the asset or if a contract liability is established under AASB 15 upon the satisfaction of sufficiently specific performance obligations. Revenue from bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the Company becomes legally entitled to the shares or property.

#### *Memberships*

Revenue from memberships is recognised in accordance with the underlying agreement in the period in which performance obligations are satisfied.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### e. Revenue recognition (continued)

#### *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.

### f. Cash and cash equivalents

For the purposes of the statement of financial position and 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.

### g. Trade and other receivables

Trade receivables are recognised initially at fair value. The Company recognises an allowance for expected credit losses (ECLs) using a simplified calculation approach. It does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company makes this assessment based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

### h. 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.

### i. Property, plant and equipment

Plant and equipment are 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:

	2019	2018
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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****i. Property, plant and equipment (continued)**

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.

**j. Intangible Assets**

Intangible assets comprise software which was 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 4 years and the amortisation expense is recognised in the income statement.

**k. 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.

**l. Leases**

Contracts are deemed to be or contain a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A single recognition and measurement approach is applied to all leases, where the Company recognises the liability for future lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets are recognised at the commencement date of the lease and measured at cost, less any accumulated amortisation, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are amortised on a straight-line basis over the lease term.

Lease liabilities are recognised at the commencement date of the lease and measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable.

The Company's incremental borrowing rate at the lease commencement date is used to calculate the present value of lease payments. After the commencement date, the amount of lease liabilities is reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification to the lease term or a change in the lease payments.

**m. 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 billed to the Company or not. Trade payables are normally settled within normal trading terms.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****n. 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.

**o. 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 are 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.

**p. 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.

**q. 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****q. Goods and services tax (GST) (continued)**

- 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.

**r. 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, strategy and human resource specialists.

Amnesty International Australia has assessed the fair or market value of these professional services or goods at \$103,094 (2018: \$662,703). The value of these services and 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.

**s. 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.

**t. 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

**u. 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.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### v. Investments and other financial assets

#### (i) Financial assets

Financial assets in the scope of AASB 9 *Financial Instruments* are classified as subsequently measured at amortised cost, fair value through profit and loss or fair value through other comprehensive income on the basis of both the entity's business model for managing the financial asset and the whether the contractual cash flows are solely payments of principal and interest. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As the business model for cash and trade and other receivables are "held to collect" these assets are measured at amortised cost. As share investments are not held for long term strategic purposes these are recognised at fair value through profit and loss. There were no material changes in classifications or values on transition to the new accounting standard AASB 9 on 1 January 2018. These are included in current assets, except for those with maturities greater than 12 months after balance date, which are classified as non-current.

### w. 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 20 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. Indirect costs have not been included in Note 19.

#### *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 event costs even though some members would have supported these. The impact on results is not material.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**w. Fundraising activities (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:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Amortisation expense	983,565	15,751
Depreciation expense	231,631	319,345
Write-down of inventory to net realisable value	5,272	46,293
Operating lease / rental expense	(1,431)	936,224
Cost of goods sold	1,604	9,091
Contributions to the International Secretariat of Amnesty International	3,468,177	4,132,207
Employee benefit expense	8,023,542	9,248,091

**4. CASH AND CASH EQUIVALENTS**

**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:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Cash on hand	1,849	4,612
Group bank accounts	12,115	14,261
Cash at bank	4,872,680	3,903,483
At call deposit	-	12,375
<b>Cash assets</b>	<b><u>4,886,644</u></b>	<b><u>3,934,731</u></b>

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

**5. TRADE AND OTHER RECEIVABLES**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	13,191	3,274
Receivable from Amnesty International Secretariat	-	387,742
Accrued income	98,393	95,704
GST receivable	380,385	317,030
Other receivables	-	7,235
	<b>491,969</b>	<b>810,986</b>

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

**6. OTHER CURRENT ASSETS**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Prepayments	367,699	147,686
Shares	133,992	121,398
Other assets including leasehold bonds	64,320	1,210
	<b>566,011</b>	<b>270,295</b>

**7. INVENTORIES**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Finished goods	3,209	9,285
Campaign materials	47,300	46,570
	<b>50,509</b>	<b>55,855</b>

Finished goods represent inventories available for sale.

**8. RIGHT OF USE LEASED ASSETS**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Opening ROU Asset	2,979,698	-
Add: Additions	428,086	-
Add: Modifications	124,273	-
Less: Impairment of leases	(79,332)	-
Less: Accumulated amortisation on right of use leased assets	(921,471)	-
	<b>2,531,254</b>	<b>-</b>

During the year the Company entered into three new leases, this included a lease for photocopiers and two new office leases in Brisbane and Hobart. There was also a three month extension to the Sydney office lease, resulting in a remeasurement of the right of use asset.

**8. RIGHT OF USE LEASED ASSETS (continued)**

A portion of the Sydney office will be subleased beginning on 1 May 2020. The subleased section has been cordoned off and made available to the incoming lessee for fit-out purposes from 1 January 2020. The Company undertook an impairment assessment under AASB 136 *Impairment of Assets* as at 31 December 2019 and as a result has recognised an impairment for the period that the ROU is not available for use in its intended manner.

**9. NON-CURRENT ASSETS**

	2019 \$	2018 \$
Other Assets (Leasehold Bonds)	236,433	264,278
	<u>236,433</u>	<u>264,278</u>

**10. PROPERTY, PLANT AND EQUIPMENT**

	2019 \$	2018 \$
Plant and equipment, at cost	2,286,440	2,277,716
Less: accumulated depreciation	(2,250,332)	(2,134,792)
<b>Net Plant and equipment</b>	<u>36,108</u>	<u>142,923</u>
Leasehold improvements, at cost	2,385,530	2,315,651
Less: accumulated depreciation	(2,144,097)	(2,028,005)
<b>Net Leasehold improvements</b>	<u>241,433</u>	<u>287,646</u>
Total cost	4,671,970	4,593,367
Total accumulated depreciation	(4,394,429)	(4,162,797)
<b>Total Property, plant and equipment</b>	<u>277,541</u>	<u>430,570</u>

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

	2019 \$	2018 \$
<b>Plant and equipment:</b>		
Carrying amount at beginning of the year	142,923	297,370
Additions	8,724	40,413
Disposal & adjustments	-	356
Depreciation	(115,539)	(195,216)
<b>Carrying amount at the end of the year</b>	<u>36,108</u>	<u>142,923</u>
<b>Leasehold improvements:</b>		
Carrying amount at beginning of the year	287,646	346,447
Additions	69,879	65,329
Disposal	-	-
Depreciation	(116,092)	(124,130)
<b>Carrying amount at the end of the year</b>	<u>241,433</u>	<u>287,646</u>




**10. PROPERTY, PLANT AND EQUIPMENT (continued)**
**Total Property, plant and equipment:**

Carrying amount at beginning of the year	430,570	643,817
Additions	78,603	105,742
Disposal	-	356
Depreciation	(231,632)	(319,345)
<b>Total carrying amount at the end of the year</b>	<b>277,541</b>	<b>430,570</b>

**11. INTANGIBLE ASSETS**

	2019 \$	2018 \$
Intangible assets, at cost	2,183,356	2,132,517
Less: accumulated amortisation	(1,943,251)	(1,881,158)
<b>Total Intangible assets</b>	<b>240,105</b>	<b>251,359</b>

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

**Software Intangibles:**

Carrying amount at beginning of the year	251,359	-
Additions	50,839	267,110
Disposal	-	-
Amortisation	(62,093)	(15,751)
<b>Carrying amount at the end of the year</b>	<b>240,105</b>	<b>251,359</b>

**12. TRADE AND OTHER PAYABLES**

	2019 \$	2018 \$
Trade payables	261,965	225,275
Payable to Amnesty International Secretariat	1,611,178	1,528,947
Employee benefits payable	182,103	285,703
Other payables & accruals	275,715	177,086
	<b>2,330,961</b>	<b>2,217,010</b>

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

**13. 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 \$669,737: (2018 \$835,520).

**14. CURRENT LIABILITIES – PROVISIONS**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Long service leave	330,490	532,092
Annual leave	383,221	537,188
	<u><b>713,711</b></u>	<u><b>1,069,279</b></u>

**15. LEASE LIABILITIES**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Opening Lease Liability	2,979,698	-
Add: Additions	428,086	-
Add: Modifications	124,273	-
Add: Interest Accretion	78,728	-
Less: Payment Made	(920,434)	-
	<u><b>2,690,351</b></u>	<u><b>-</b></u>

During the year the Company entered into three new leases, this included a lease for photocopiers and two office leases in Brisbane and Hobart. There was also a three month extension to the Sydney office lease, resulting in a remeasurement of the lease liability.

**16. NON-CURRENT LIABILITIES – PROVISIONS**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Make good	113,000	113,000
Long service leave	123,087	174,787
	<u><b>236,087</b></u>	<u><b>287,787</b></u>

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

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
At 1 January	113,000	113,000
Arising/(Utilised) during the year	-	-
<b>At 31 December</b>	<u><b>113,000</b></u>	<u><b>113,000</b></u>



**16. NON-CURRENT LIABILITIES – PROVISIONS (continued)**

(ii) Long service leave

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

	<b>2019</b>	<b>2018</b>
Number of employees (Full time equivalent at year end)	62.5	82.8

**17. SEGMENT INFORMATION**

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

**18. 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.

**19. RELATED PARTIES**

**a) Directors**

There were no loans to Directors at any time in the year ended 31 December 2019. 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**

Amnesty International Australia defines key management personnel as those staff who sit on the Amnesty Management Team (AMT). There are six permanent roles on the AMT. The following compensation totalling \$1,509,652 was paid to 9 employees (2018: 4 employees) on the AMT during the year for their contributions as employees of the Company and for conducting and directing services. The fluctuation in payments and employees on the AMT during 2019 was due to an internal restructure.

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Total remuneration	1,509,652	830,061

## 19. 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 Company contributes to the international movement via the International Secretariat (IS).

The 2019 assessment amount was \$4,654,145 (2018: \$5,237,192), including adjustments relating to prior years, which was partially paid during the year. Amnesty International Australia received total waivers of \$1,508,488 which were applied to the assessment payable. Additional funds of \$325,000 were paid to the IS which represented the value of a bequest received during the year, in line with an MoU agreement (see note 21 for more detail).

The Company also incurred costs of \$500,683 for IS staff located in Australia (2018: \$421,653) on behalf of the international movement which were deducted from assessment payments.

As at 31 December 2019, there were \$888,426 receivables due from the international movement (2018: \$387,742) and there is \$2,499,604 (2018: \$1,528,947) owing to the international movement in 2019. These receivables have been offset against the payable balance to show a net payable to the international movement at 31 December 2019 of \$1,611,178.

	2019	2018
	\$	\$
Opening receivable/(payable)	(1,141,204)	1,132,401
Assessment amount	(4,654,145)	(5,237,192)
Additional amount payable as per MoU	(325,000)	-
Waivers applied in accordance with MoUs	1,508,488	1,100,000
Payments made during the year	2,500,000	1,441,934
Staffing and other charges (net)	500,683	421,653
<b>Closing receivable/(payable) balance</b>	<b>(1,611,178)</b>	<b>(1,141,204)</b>

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

	2019 \$	2018 \$
Gross income	23,933,374	26,156,333
Less: Proceeds not received from appeals	(1,752,547)	(1,004,017)
<b>Gross proceeds from fundraising appeals</b>	<b>22,180,827</b>	<b>25,152,316</b>
Gross proceeds from fundraising appeals	22,180,827	25,152,316
Less: Direct costs of fundraising appeals	(8,001,769)	(8,653,521)
<b>Net surplus from fundraising appeals</b>	<b>14,179,058</b>	<b>16,498,796</b>

**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.

**c) Details of Results of Fundraising Appeals**

Types of appeal	Fundraising: Revenue/Expense Comparison					
	2019			2018		
	Revenue	Expenses	Ratio of cost to revenue	Revenue	Expenses	Ratio of cost to revenue
Regular Giving	18,595,105	7,247,889	39%	21,200,470	7,766,638	37%
Major Donors	1,297,685	507,203	39%	1,100,374	526,491	48%
Corporations	233,199	470	-	116,680	-	-
Non-Regular donations	2,035,507	245,654	12%	2,709,725	355,255	13%
Events	19,331	553	3%	25,069	5,136	20%
<b>Total</b>	<b>22,180,827</b>	<b>8,001,769</b>	<b>36%</b>	<b>25,152,316</b>	<b>8,653,521</b>	<b>34%</b>

For 2019 the ratio of costs to revenue overall is within the 50% guideline.



**21. Contingent Liability**

Amnesty International Australia (AIA) entered into a Memorandum of Understanding (MOU) with Amnesty International Limited (AIL) in 2015. The MOU outlines the arrangements between AIA and AIL including contributions AIA makes to AIL. In 2016, an amount totalling \$4,416,667 was waived by AIL on the contributions AIA was to make during that year as part of the provisions of this MOU.

Per the same MOU, in calendar years 2020 and 2021 if AIA has free reserves (cash and receivables less short-term liabilities excluding employee provisions) in excess of 6 weeks' worth of expenditure, 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. Management deem this unlikely to eventuate for 2020.

Additionally, if funds are received from a particular estate, these will be due and payable at the time of receipt to the IS. To date, \$325,000 has been received and passed on to the IS. The estimated remaining value of payments is \$1,175,000 should further payments be received. As it is currently not certain as to the amount of payment and it is only possible, not probable, no provision for any liability has been made in these financial statements.

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Contingent Liability	1,175,000	1,500,000



I, Mario Santos, 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 2019
- (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 2019
- (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 2019 and 31 December 2019
- (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 2019 and 31 December 2019
- (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 Melbourne this 30th day of April 2020

A handwritten signature in black ink that reads "Mario Santos".

Mario Santos  
Melbourne  
Director



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Ernst & Young  
200 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
ey.com/au

## **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 2019, 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 2019 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.

#### **Emphasis of Matter: Subsequent Events - Impact of the Coronavirus (COVID-19) Outbreak**

We draw attention to pages 7-8 of the financial report which notes the World Health Organisation's declaration of the outbreak of COVID-19 as a global pandemic subsequent to 31 December 2019 and how this has been considered by the Directors in the preparation of the financial report. No adjustments have been made to financial statements as at 31 December 2019 for the impacts of COVID-19. Our opinion is not modified in respect of this matter.





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## **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](http://www.auasb.gov.au/auditors_files/ar3.pdf). This description forms part of our auditor's report.



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## 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 2019, 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 2019 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  
Partner  
Sydney  
30 April 2020



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Ernst & Young  
200 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
ey.com/au

## **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 2019, 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  
30 April 2020