

Amnesty International Charity Limited

(a company limited by guarantee)

Report and financial statements for the year ended 31 December 2018

Company No: 2007475

Charity No: 294230

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

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

Legal and Administrative details

Directors (and Trustees):	Melvin Coleman (chair) Timothy Stuart Guy (resigned 4 June 2019) Rosie Chapman Susan Wallcraft
Company Secretary:	Nicholas Williams
Address and Registered Office:	1 Easton Street London WC1X 0DW
Company Registration Number:	2007475
Charity Registration Number:	294230
Date of incorporation:	7 April 1986
Constitution:	Company limited by guarantee, with articles of association.
Solicitors:	Bates Wells Braithwaite LLP 10 Queen Street Place London EC4R 1BE
Bankers:	HSBC Bank plc 74 Goswell Road London EC1V 7DA
Auditors:	Crowe U.K. LLP St Bride's House 10 Salisbury Square London EC4Y 8EH

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Trustees' Report for the year ended 31 December 2018

The Trustees, who are also the Directors of the Charity, present their annual report on the affairs of the Charity, together with the financial statements and auditors' report for the year ended 31 December 2018.

1. Structure, Governance and Management

1.1 Relationship with Amnesty International

Amnesty International (or Amnesty) is an unincorporated, global movement, which has as its objective "securing the observance of the provisions of the Universal Declaration of Human Rights and other human rights instruments throughout the world".

Amnesty International Charity Limited ('the Charity') was incorporated on 7 April 1986 to undertake charitable human rights activities on behalf of the global movement. The governing documents of the Charity are its Articles of Association, which were updated in December 2017.

In June 2012, Amnesty International Limited ("AIL"), the principal operating entity for Amnesty's International Secretariat ("IS"), was appointed as the sole member of the Charity. The Charity is a subsidiary of AIL and from 2013 has been consolidated into the Group accounts of AIL. The Charity conducts its charitable activities by way of grant funding.

1.2 Governance and Management

The Charity is a company limited by guarantee and does not have share capital. AIL is the sole member of the Charity.

The Trustees are appointed by AIL in consultation with the existing trustees.

New Trustees receive an induction from the Company Secretary shortly after their appointment, covering a general overview of the organization and administrative details; fiduciary responsibilities; and legal and statutory responsibilities. This induction also includes understanding the charity's relationship with AIL and the Amnesty movement.

The Trustees have responsibility for the oversight of the Charity. The Charity carries out its charitable activities by way of grant funding in view of a number of factors including the low overhead costs and flexibility in the application of its funds.

Any conflicts of interest arising out of the Charity's governance structure are managed by the Trustees in accordance with the Charity's conflict management processes and the Charity's articles of association.

The Trustees exercise supervision and control over grant funding and have procedures in place to ensure that they take decisions independently, acting in the best interests of the Charity and that the Charity's funds are applied exclusively for its charitable purposes. The Charity has appointed a Finance and Audit Committee to provide oversight and advice on finance and audit matters.

The Charity undertook a review of its legal and governance structure in 2017 which resulted in (i) improvements to the Charity's memorandum of agreement with AIL on grant procedures; (ii) changes to the Charity's board of trustees; and (iii) updates to the articles of association to strengthen governance and trustee independence.

Building on these changes, during 2018 the Trustees undertook a review of AICL's governance by reference to the Charity Governance Code (the "Code") published in July 2017 and conducted a Board effectiveness review. The Trustees noted a generally good level of compliance by the Charity with the Code across all areas and satisfactory effectiveness. However, to ensure continuous improvement, the Trustees agreed to address several areas of development during 2019, including implementing formal processes to enhance board effectiveness.

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2. Objectives and Activities

The Charity's objects are based on the Charity Commission's model object for the advancement of Human Rights, as follows:

Having regard to the Statute for the time being of Amnesty International, the objects for which the Charity is established are to promote human rights (as set out in the Universal Declaration of Human Rights and subsequent United Nations conventions and declarations) throughout the world by all or any of the following means:

- Monitoring abuses of human rights
- Obtaining redress for the victims of human rights abuse
- Relieving need among the victims of human rights abuse
- Research into human rights issues
- Providing technical advice to government and others on human rights matters
- Contributing to the sound administration of human rights law
- Commenting on proposed human rights legislation
- Raising awareness of human rights issues
- Promoting public support for human rights
- Promoting respect for human rights among individuals and corporations
- International advocacy of human rights
- Eliminating infringements of human rights

In 2018 the Charity Trustees agreed to make a grant to AIL on consideration of a number of factors including (a) the two organisations' shared objectives; (b) the likely expectation of donors and (c) the origins of the Charity as part of the wider Amnesty International movement. The specific grant award was made in accordance with the terms of a memorandum of agreement on grant procedures between the Charity and AIL which was updated in March 2017; that agreement sets out a detailed process for provision of grant funding and appropriate controls and restrictions on AIL's use of the Charity's funds for the furtherance of the Charity's charitable objects.

3. Public Benefit

In setting the Charity's objectives and planning the Charity's activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees always ensure that the activities undertaken by the Charity further its charitable objects and aims.

The Charities Act 2006 makes provision for the advancement of human rights as a charitable purpose. The Charity's purposes, and the activities that flow from them are aligned to those summarised in the Charity Commission's guidance publication "RR12 - The Promotion of Human Rights".

4. Principal Risks and Uncertainties

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

The Charity's risk register is reviewed and discussed by the Trustees at least three times a year. Risk management is embedded at all levels, and the risks facing the organisation are identified and documented in the risk register through a quarterly internal process. The Trustees ensure that for each risk:

- mitigation procedures are developed
- responsibilities for implementation and review are assigned
- the status is monitored on a regular and timely basis.

The top risk areas in 2018 were assessed as the following:

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Reputational risk

Reputational damage to the Charity may arise from adverse publicity for a number of reasons, including errors or bias in research reports, poor decision making or misconduct by the Trustees, involvement of regulators or actions taken by other parts of the Amnesty International movement, including the staff and officers of the IS. To mitigate this, the Trustees monitor and review AIL's project management processes and reports, ensure good governance practices in accordance with the Code and maintain regular communication channels with AIL and the broader Amnesty movement.

Financial risk

Due to the unpredictable nature of the Charity's income, the Trustees consider a principal risk to be the possibility of commitments exceeding income. To mitigate this, the Trustees maintain an appropriate level of free reserves and agree any future grants on the level of excess free reserves and prudent financial forecasts.

Fraud risk

Risk that funds granted to AIL may be spent fraudulently, meaning less funds are spent on AICL's charitable objectives. This is mitigated by AICL monitoring and reviewing AIL's policies and procedures (including internal audit) that are designed to protect against fraud and the organisation's overall fraud resilience strategy, to ensure these are applied to AICL's activities as well.

Business continuity risk

There are two main risks. Loss of the IS's server room due to fire, flood etc. may lead to irretrievable loss of business systems, data or network, which would significantly impact ability of the AIL London and Regional Offices to function and provide services to AICL and/or properly conduct the projects for which AICL has grant funded. Complete loss of the London office for an extended period would seriously reduce the ability for London-based staff to work, including delivery of services for AICL. These risks are mitigated by monitoring and reviewing AIL's business continuity plan and the Service Level Agreement between AICL and AIL that include provisions for breach of service.

5. Achievements and Performance

In the year to 31 December 2018, the Charity made grants of £867,000 to support specific human rights activities conducted by AIL, which furthered the Charity's charitable objects. In addition, the Charity incurred direct costs of £114,000.

In 2018 AICL provided full or partial grant funding for six projects in Africa and North Korea which aimed to empower people and communities with knowledge about human rights, and work with them to build societies that respect rights at all levels. These projects strive to achieve these outcomes:

- Those defending human rights are safe and supported;
- People know their rights and are empowered to claim them; and
- People can claim their rights to speak out, organize and challenge injustice.

AIL provides six-monthly financial reports to the Charity Trustees on the projects funded by the Charity's grants. Some examples of the achievements arising from these projects are:

- The project supporting North Korean Human Rights Defenders supported the North Korean Now Action and Unity for Human Rights organisations to gather information and input into a UN review of North Korea.
- The project on Protecting Human Rights Defenders in West and Central Africa was able to conduct research on the impact of austerity legislation in Chad and looked at root causes of social discontent which lead to increased social unrest, protests, strikes, critics that are in turn repressed by the authorities. This is the first type of research of its kind at Amnesty. Since the report there was an unprecedented response by the President of Chad acknowledging the issues AIL was bringing to his attention and showing openness to work with AIL to address this.

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- The project on Addressing Root Causes of Human Rights Violations in DRC conducted research on cobalt practices in the DRC and published a report which strongly demonstrated the linkages between the bad exploitation of the country's natural resources, the government's failure to ensure access to basic rights such as education and healthcare, and children's rights.

6. Plans for Future Periods

In 2019 the Charity Trustees will consider further grant proposals. Such grants as the Charity Trustees approve will be in line with grant procedures which take account of best practice and regulatory guidance.

In particular the Charity has approved grants for eight projects in Africa, the Americas, Europe, Iraq and North Korea to support further work on three of AIL's strategic goals as outlined below:

Reclaiming Freedom: A world in which everyone knows and can claim their rights

AIL's projects under this strategic goal will expand and sustain the human rights movement by empowering people and communities with knowledge about human rights and working with them to build societies that respect rights at all levels. Strategic Goal 1 has three outcomes:

- Those defending human rights are safe and supported;
- People know their rights and are empowered to claim them;
- People can claim their rights to speak out, organize and challenge injustice.

Securing Equal Rights for All: A world in which human rights and justice are enjoyed without discrimination

AIL's projects under this strategic goal will work nationally and regionally to protect the rights of groups who are discriminated against on multiple grounds and those deprived of their economic, social and cultural rights. Strategic Goal 2 has three outcomes:

- Discrimination and identity-based violence are reduced;
- Progress towards equality on the basis of gender, sexual orientation, and gender identity and expression is achieved;
- Economic, social and cultural rights are better realized in people's lives.

Responding to Crises: A world in which people are protected during conflict and crises

AIL's work under this strategic goal will play a leading role in mobilizing effective action to protect civilians in situations of conflict and crises. AIL will work to ensure that institutions and mechanisms act effectively when civilians are in danger, and people are protected from the effects of irresponsible arms trade and failures to duly restrict the use of explosive weapons in populated areas. We will seek to ensure that borders are never closed for humanitarian aid or those seeking refuge, and that those who need to leave are protected and provided for. Strategic Goal 3 has three outcomes:

- Those responsible for human rights abuses are held accountable and victims have access to justice, truth and reparation;
- People affected by or fleeing conflict, crisis, torture or persecution have access to adequate protection and assistance;
- Civilians are better protected through effective action by national, regional and international institutions and mechanisms.

Some of these grants are supporting projects funded in 2018 as the nature of the projects and desired outcomes often require a sustained activity over a number of years.

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7. Financial Review

The results for the Charity show net outgoing resources of £210,000 (2017: £1,101,000). The decrease in net outgoing resources is due to an increase in income (primarily driven by the Gift Aid grant received from AIL in 2018 which the Charity did not receive in 2017) and a reduction in the Charity's grant expenditure.

The principal sources of funding for the Charity in 2018 were legacies and the grant under Gift Aid received from AIL.

As at 31 December 2018, the Charity has net assets of £181,000 (31 December 2017: £391,000) and unrestricted funds totalling £181,000 (31 December 2017: £391,000).

Net cash outflow from operating activities for the year was £359,000 (31 December 2017: £1,114,000); the Charity has net funds of £184,000 as at 31 December 2018 (31 December 2017: £543,000).

Reserves policy

As at 31 December 2018, total reserves were £181,000 (31 December 2017: £391,000) of which all were unrestricted (31 December 2017: all unrestricted). The level of free reserves of the Charity was £181,000 which is £143,000 in excess of its target.

As the Charity is a grant funding organisation it has no requirement for significant reserves. A target level of reserves has been set at £38,000 to cover annual expenditure outside of grant giving activities and a contingency amount for unforeseen costs required to be met directly by the Charity.

The Trustees anticipate that excess free reserves will be further applied to charitable activities through grants in 2019 but will be kept under review to ensure this target level of reserves is not exceeded.

Investment policy

In the situation where it has significant funds the Charity aims to invest such funds in a prudent and ethical manner to enable funding of future activities. During the year, any cash not immediately required for operational work was placed in money market deposit accounts, to maximise interest. Interest earned was in line with expectations.

Going concern

The Charity is forecast to receive both Gift Aid grants from AIL and donations and legacies from members of the public in 2019. In consideration of the committed expenditure of the Charity and target free reserves, the Trustees believe that the Charity has adequate financial resources and is well placed to manage business risks. The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future.

The Trustees believe that there are no material uncertainties that call into doubt the Charity's ability to continue. The accounts have therefore been prepared on the basis that the Charity is a going concern.

Fundraising

The Charity does not undertake any public fundraising activities and so has not subscribed to any UK fundraising standards or scheme for fundraising regulation. Notwithstanding this position the Charity registered with the UK Fundraising Preference Service in January 2018 following the receipt of suppression requests from members of the public and so as to minimise confusion with the fundraising activities of Amnesty International UK, Amnesty International's membership organisation in the UK.

8. Auditors

As far as each of the Trustees of the Charity at the date of approval of this report is aware, there is no relevant audit information (information needed by the Charity's auditor in connection with preparing the audit report) of which the Charity's auditor is unaware. Each trustee has taken all of the steps that they should have taken as a

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trustee in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information. Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor for the next financial year.

The report to the trustees has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within part 15 of the Companies Act 2006.

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Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial period in accordance with FRS 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and applicable law.

Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its net incoming/outgoing resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue to operate.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Financial Reporting Standard 102 (FRS 102). They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on Amnesty International's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors' Report was approved by the board of Trustees on 18th July 2019, and is signed as authorised on its behalf by:



Melvin Coleman
Trustee

18th July 2019
1 Easton Street
London
WC1X 0DW

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Independent Auditor's Report to the Members of Amnesty International Charity Limited

Opinion

We have audited the financial statements of Amnesty International Charity Limited for the year ended 31 December 2018 which comprise of statement of financial position, balance sheet, cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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Auditor's responsibilities for the audit of the financial statements

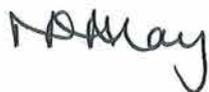
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Nicola May

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London



2019

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**Statement of Financial Activities
(Incorporating the Income and Expenditure Account)
For the year ended 31 December 2018**

	Notes	Unrestricted Funds 2018 £'000	Total Funds 2018 £'000	Total Funds 2017 £'000
Incoming resources from generated funds				
Voluntary income	4	770	770	268
Investment income		1	1	-
Total incoming resources		771	771	268
Resources expended				
Charitable activities	5	(981)	(981)	(1,365)
Investment expenditure		-	-	(4)
Total resources expended		(981)	(981)	(1,369)
Net outgoing resources		(210)	(210)	(1,101)
Fund balances brought forward at start of period		391	391	1,492
Fund balances brought forward at end of period		181	181	391

All amounts relate to continuing activities.

The notes on pages 17 to 23 form part of these financial statements.

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Balance Sheet

As at 31 December 2018

Company No: 2007475

Charity No: 294230

	Notes	2018 £'000	2017 £'000
Current assets			
Investments	10	91	290
Cash at bank and in hand		93	253
		184	543
Creditors: amounts falling due within one year	11	(3)	(152)
		181	391
Net currents assets, total assets less liabilities and net assets		181	391
Funds			
Unrestricted funds	14	181	391
Total Funds		181	391

Approved by the board of directors on 18 July 2019 and signed on its behalf by:



Melvin Coleman
Trustee

The notes on pages 17 to 23 form part of these financial statements.

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Cash Flow Statement
For the period ended 31 December 2018

	2018 £'000	2017 £'000
Cash flows from operating activities		
<i>Net expenditure for the reporting period</i>	(210)	(1,101)
Adjustments for:		
Decrease in debtors	-	4
Decrease in creditors	(149)	(17)
Net cash used in operating activities	<u>(359)</u>	<u>(1,114)</u>
Cash flows from investing activities		
Sale of short term investments	199	299
Net cash provided by investing activities	<u>199</u>	<u>299</u>
Cash flows from financing activities	-	-
Decrease in cash at bank and in hand	<u>(160)</u>	<u>(815)</u>
Cash at bank and in hand at the beginning of the reporting period	253	1,068
Cash at bank and in hand at the end of the reporting period	<u>93</u>	<u>253</u>

The notes on pages 17 to 23 form part of these financial statements.

Notes to the financial statements for the period ended 31 December 2018

1 Company Information

Amnesty International Charity Limited is a charity limited by guarantee, incorporated in England and Wales under company number 2007475 and charity number 294230. Its registered office is 1 Easton Street, London, WC1X 0DW. Amnesty International Charity Limited is a not for profit organisation whose activities are intended to be for the public benefit.

2 Basis of Accounting

Basis of preparation

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2015 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Going Concern

After making enquires, the Trustees are not aware of material uncertainties that cast doubt on going concern and have a reasonable expectation that the company has adequate resources to continue its activities for the foreseeable future as reflected in the Trustees Report. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Scope

These financial statements only reflect the activities of Amnesty International Charity Limited. They do not include the activities of AIL, or of the sections of the Amnesty International movement, as these are all separate legal entities that are neither owned nor controlled by the Charity.

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

3 Accounting Policies

Incoming resources

Income is accounted for on an accruals basis in the period in which the charity is entitled to income where the amount can be measured with reasonable certainty.

Legacies

Legacies are recognised when the Charity has entitlement, receipt is probable and the amount is quantifiable.

3 Accounting Policies (continued)

Grants

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

Where the receipt of incoming resources relating to a restricted grant is dependent on certain contractual performance conditions, revenue is only recognised when these expenditure conditions have been met. Where grants are subject to donor imposed conditions which specify the time period in which expenditure can take place and there exist detailed expenditure budgets with explicit timescales (that have been agreed by the grantor and grantee), then incoming resources are matched with expenditure such that revenue relating to expenditure in future periods is recorded as deferred revenue when received.

Investments

Investments, which relate to money market deposits, are carried at cost.

Fund accounting

The Charity maintains the following types of fund:

- Restricted: where the donor has specified that the donation be used for a particular purpose.
- Unrestricted: for use by the Trustees to further the Charity's objects.

Resources expended

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

Charitable activities comprise funding awarded to further the objectives and activities detailed in section 2 of the Trustees Report.

Irrecoverable VAT

Irrecoverable VAT is included in the costs recharged by ALL where it is incurred.

Foreign currency

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

Foreign exchange gains and losses arise mainly on the conversion and translation of income received and are held in the Charity's bank accounts. As such the net gain or loss is included within incoming resources in the Statement of Financial Activities.

Cash and Cash equivalents

Cash and cash equivalents include cash held in current accounts, and liquid resources comprising short-term deposits with banks which mature within 12 months of date of inception.

Accounting estimations

In the application of the charity's accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

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3 Accounting Policies (continued)

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Financial Instruments

Amnesty International Charity Limited has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand. Financial liabilities held at amortised cost comprise trade and other creditors.

4 Donations and Legacies

	Unrestricted Funds 2018 £'000	Total Funds 2018 £'000	Total Funds 2017 £'000
Donations and legacies	376	376	268
Grant under Gift Aid from Amnesty International Limited	300	300	-
Service fee charged to Amnesty International Limited	94	94	-
Total donations and legacies	770	770	268

5 Resources Expended

	Direct Costs 2018 £'000	Support Costs 2018 £'000	Total Funds 2018 £'000	Total Funds 2017 £'000
Research into human rights violations	867	114	981	1,365
Total charitable activities	867	114	981	1,365

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

6 Support Costs

	2018 Charitable activities £'000	2018 Total £'000	2017 Total £'000
Occupancy costs	94	94	87
Professional fees	4	4	6
Service fee charged from Amnesty International Limited	16	16	-
	114	114	93

Support costs in 2018 are only directly incurred by the Charity.

The Auditors' remuneration for the Charity is £3,100 + VAT (2017: £3,000 + VAT) There were no other Governance costs in 2018 (2017: Nil).

7 Grants

The Charity granted funds to ALL in the period to perform charitable work on behalf of the Charity; the figure granted was £867,000 in 2018 (2017: £1,272,000).

8 Employees and Directors

The Charity had no employees during the year (2017: nil). Related costs are borne by ALL and, from 2018, recharged to the Charity as a service charge. Employee costs recharged to the Charity in 2018 were £11,000. In 2017, the employee costs were borne by ALL and not recharged to the Charity. These amounted to £11,000.

The Trustees of the Charity did not receive any remuneration during the period (2017: nil) from the Charity for their services as directors and Trustees of the Charity.

One Trustee incurred travel expenses of £311 during the year (2017: £235) which were reimbursed by Amnesty International Limited on behalf of the Charity.

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9 Taxation

As a charity, Amnesty International Charity Limited is exempt from tax on income and gains under sections 466 to 493 of the Corporation Tax Act 2010, to the extent that all income is applied for charitable purposes. No tax charges have arisen in the charity in the current or prior year.

10 Investments

	2018 £'000	2017 £'000
Carrying value at start of period	290	589
Disposal of investments at cost	(199)	(299)
Carrying value at end of period	91	290

Investments comprise money market deposits.

11 Creditors

	2018 £'000	2017 £'000
Accruals	3	152
Carrying value at end of period	3	152

Creditors comprise accrued professional costs at 31 December 2018. Creditors comprised accrued grant commitments to AIL, accrued occupancy costs and accrued professional costs at 31 December 2017.

12 Financial Instruments

At the balance sheet date the charity held financial assets at amortised cost of £184,000 (2017: £543,000) and financial liabilities at amortised cost of £3,000 (2017: £152,000).

13 Parent Entity

Amnesty International Charity Limited (AICL) is a registered charity and undertakes certain of those aspects of the work of the Amnesty International which are charitable under the law of England and Wales. The charity is considered a subsidiary of AIL, as AIL is the sole member of the charity, and appoints the charity's Trustees.

Amnesty International Limited (AIL) is a limited liability company in England and Wales under number 1606776 and its registered office is 1 Easton Street, London, WC1X 0DW. Consolidated accounts can be obtained from this address. Amnesty International Limited is a not for profit organisation whose activities are intended to be for the public benefit.

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14 Funds Note

The movement on funds during the year were as follows:

	1 January 2018	Income	Expenditure	31 December 2018
	£'000	£'000	£'000	£'000
Unrestricted funds	391	771	(981)	181
	391	771	(981)	181

The movement on funds during the prior year were as follows:

	1 January 2017	Income	Expenditure	31 December 2017
	£'000	£'000	£'000	£'000
Unrestricted funds	1,492	268	(1,369)	391
	1,492	268	(1,369)	391

15 Analysis of Net Assets between Funds

	2018	2018	2017	2017
	Unrestricted	Total	Unrestricted	Total
	Funds	Funds	Funds	Funds
	£'000	£'000	£'000	£'000
Current Assets				
Short term investments	91	91	290	290
Cash at bank and in hand	93	93	253	253
	184	184	543	543
Creditors: amounts falling due within one year	(3)	(3)	(152)	(152)
Net current assets and net assets	181	181	391	391
Total funds as at the end of the reporting period	181	181	391	391

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16 Related Party Transactions

The Charity's only related party transactions were with its parent company, Amnesty International Limited.

Related party balances

At 31 December the Charity had the following balance with Amnesty International Limited:

	2018	2017
	£'000	£'000
Due to Amnesty International Limited	-	142

Related party transactions

During the year the following transactions took place with Amnesty International Limited reflecting monies flowing in/(out) of the charity:

	2018	2017
	£'000	£'000
Grant income under Gift Aid from Amnesty International Limited	300	-
Service fee charged to Amnesty International Limited	94	-
Funds granted to Amnesty International Limited to perform charitable work on behalf of the Charity	(867)	(1,272)
Service fee charged from Amnesty International Limited	(16)	-