

# **Amnesty International Limited**

*(a company limited by guarantee)*

## **Report and financial statements for the year ended 31 December 2019**

*Company No: 1606776*

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## Legal and Administrative details

<b>Directors:</b>	Vincent Adzahlie-Mensah Maria De Lourdes Vianney Barrera Campos (appointed 4 <sup>th</sup> August 2019) Sarah Jane Beamish Peter Petelo Fa'afiu (appointed 4 <sup>th</sup> August 2019) Fabiola Gutierrez Arce Greg Marsh Nolasco Ritz Lee Iii Santos (appointed 4 <sup>th</sup> August 2019) Aniket Shah (appointed 4 <sup>th</sup> August 2019) Anjhula Mya Singh-Bais (appointed 4 <sup>th</sup> August 2019) Rune Arcander (resigned 4 <sup>th</sup> August 2019) Nicole Bieske (resigned 4 <sup>th</sup> August 2019) Shahram Hashemi (resigned 4 <sup>th</sup> August 2019) Mwikali Nzioka Muthiani (resigned 4 <sup>th</sup> August 2019) Jacobus Smit (resigned 4 <sup>th</sup> August 2019)
<b>Company Secretary:</b>	Nigel John Armitt (appointed 9 <sup>th</sup> September 2019) Nick Williams (resigned 9 <sup>th</sup> September 2019)
<b>Secretary General:</b>	Kumi Naidoo (resigned 5 <sup>th</sup> December 2019)
<b>Acting Secretary General:</b>	Julie Verhaar (appointed 5 <sup>th</sup> December 2019)
<b>Address and Registered Office:</b>	1 Easton Street London WC1X 0DW
<b>Company Registration Number:</b>	1606776
<b>Date of incorporation:</b>	6 January 1982
<b>Constitution:</b>	Company limited by guarantee, with memorandum and articles of association
<b>Solicitors:</b>	DLA Piper 3 Noble Street London EC2V 7EE
<b>Bankers:</b>	Lloyds Bank plc 344 Gray's Inn Road London WC1X 8BX
<b>Auditor:</b>	Crowe U.K. LLP St Bride's House 10 Salisbury Square London EC4Y 8EH

## **Directors' Report for the year ended 31 December 2019**

The Directors present their report on the affairs of Amnesty International Limited (“AIL”), which includes the Strategic Report, together with the financial statements and auditor’s report for the year ended 31 December 2019. The information required in a Directors’ Report is included in the Strategic Report. The report covers the activities of AIL and its subsidiaries, details of which are provided in note 18 to the financial statements. Operationally, AIL is referred to as Amnesty International International Secretariat (“the IS”).

### **Strategic Report**

#### **1. Structure, Governance and Management**

##### **1.1 Organisation Structure**

Amnesty International (“Amnesty”) is an unincorporated global movement which has as its objective “the enjoyment by everyone of all the human rights enshrined in the Universal Declaration of Human Rights and other human rights instruments throughout the world”.

The Amnesty movement consists of 70 national entities (63 membership and 7 non-membership entities) and the IS. The work of the IS is undertaken by AIL and Amnesty International Charity (previously called Amnesty International Charity Limited until 15 July 2020), both companies limited by guarantee registered in England and Wales. Amnesty International Charity provides grant funding to AIL for the purposes of its charitable activities, which are furthered, operationally, by the IS and Amnesty’s membership entities. Amnesty International Charity is a wholly owned subsidiary of AIL and is a registered charity. Due to the legal restrictions associated with activities deemed political under the charity law of England and Wales, AIL is not registered as a charity. However, its Board of Directors took a decision in 2011 to operate as a charity in all applicable respects, including complying with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), in preparation of AIL’s report and financial statements.

The IS supports, enables and implements the work and functioning of the Amnesty movement by:

- representing the movement externally through the Secretary General;
- co-ordinating and conducting the movement’s global human rights work in research, campaigning, communications, advocacy, policy, legal, fundraising, education and other functions as necessary;
- developing global strategy, policies and standards and ensuring their co-ordination, implementation, monitoring, evaluation and reporting; and
- supporting movement governance, growth and development and its financial health.

The IS is governed by the Directors of Amnesty International Limited and is accountable to the International Board of the Amnesty International movement through the Secretary General. The IS is funded principally by Amnesty’s national membership organisations for the purpose of furthering the work of Amnesty on a worldwide basis.

##### **1.2 Global Offices**

AIL’s operations are distributed across 21 offices globally with its largest office in London. Its other offices are structured as legal branches or subsidiaries. The branch offices are located in: Bangkok, Beirut, Dakar, East Jerusalem, Johannesburg, Kiev, Moscow, Nairobi, New York, and Washington DC.

## **Strategic Report (continued)**

The subsidiary entities are located in Brussels (Amnesty International – European Association), Hong Kong (Amnesty International Asia-Pacific Regional Office Limited), Mexico City (Oficina Regional de Amnistía Internacional), Colombo (Amnesty International South Asia), Tunis (Amnesty International Afrique du Nord) and Lima (Amnesty International Limited Sucursal Peru).

AIL also operates two language resource entities which are subsidiaries, in Paris (Centre de Ressources Linguistiques d’Amnesty International – Unité Chargé de la Langue Française) and in Madrid (Centro de Lenguas de Amnistia Internacional).

Since 2016, the Centre for the Protection of Human Rights and Social Justice of Amnesty Intl Nigeria – (AI Nigeria), an ‘incorporated trustees’ entity based in Nigeria has been treated as a subsidiary of AIL due to the IS having management control. On 17th July 2019 the composition of the Board of Trustees changed, meaning the IS only had partial management control. Therefore on 17th July 2019 the AIL Group recorded a disposal of the subsidiary and the acquisition of an associate. Further details are given in Note 18 of the financial statements.

AIL also has control of two dormant entities, Amnesty International South Asia Foundation and Amnesty International, Secretariat International, Bureau Français. Further details are given in Note 2 of the financial statements.

### **1.3 Governance**

AIL is limited by guarantee and does not have share capital. The governing documents of AIL are its Memorandum and Articles of Association, last updated in April 2018.

AIL’s members (guarantors) and Directors are the elected members of the International Board of Amnesty International, nine individuals who are elected by representatives of the national membership entities of Amnesty International global movement at its annual Global Assembly. The members of the International Board are elected for a three-year term, with a maximum of two terms. The global governance arrangements for the Amnesty movement are set out in the Statute of Amnesty International and the Global Governance Regulations.

The International Board in its capacity as the AIL Board of Directors (“the Board”) is responsible for agreeing AIL policy and approving operational plans and budgets and ensuring these are implemented. New Board members receive an induction at the IS shortly after their appointment, covering a general overview of the organisation and administrative details, fiduciary responsibilities, and legal/statutory responsibilities. The Governance Programme at the IS is responsible for identifying the general training needs for the entire Board as well as actioning specific requests for training from individual Board members. AIL has maintained Directors’ and Officers’ liability insurance cover throughout the year.

Board members in place during 2019 are disclosed on page 2.

AIL is both a private limited company and a not-for-profit organisation which aims to follow charity sector best practice. As a result, AIL voluntarily follows the Charity Governance Code (“the Code”) as updated in July 2017 and considers that it is compliant with the Code in most respects. AIL carried out a review of its governance and standards against the Code in 2019. The results of this review form the basis of a 2020 Board improvement and work plan to further enhance AIL’s compliance with the Code. One of the areas of focus was the skills required and composition of the Board with the outcome that two co-opted members joined the Board in January 2020, who are non-voting members and are not directors of the company.

## **Strategic Report (continued)**

The UK Government introduced the Wates Corporate Governance Principles as best practice for privately owned companies. With effect from January 2019, privately owned companies reaching a threshold of workforce size and turnover are required to report in their Directors' Report which corporate governance code they applied to their practices. AIL does not currently meet the thresholds for statutory reporting against the Wates Principles but has chosen to voluntarily benchmark practices against the six Principles, similarly to the Charity Governance Code.

### **1.4 Management**

The Board appoints the Secretary General of Amnesty International who is responsible for the day-to-day operations of AIL.

The activities of AIL are managed by the Secretary General, supported by a Coalition Leadership Team (previously the Senior Leadership Team and the Transitional Leadership Team) which is comprised of the Deputy Secretary General, the Chief Financial Officer, the Senior Director of Research, Advocacy and Policy and the Senior Director of Public Engagement and Growth together with two section Directors from the Amnesty Movement who are appointed by the Secretary General. The strategic direction of AIL is decided through voting at the annual Global Assembly, a consultation of all Amnesty International sections. It agreed to disestablish Amnesty's International Council in 2017 and replace the biennial meetings with the annual Global Assembly, with the first meeting held in 2018.

The Board is responsible, through its Remuneration Committee, for ensuring an objective approach to the management of pay and benefits that is free from any bias or potential for actual or perceived conflict of interest. The Remuneration Committee decides upon the salaries of the Coalition Leadership Team and makes recommendations to the International Board as to the Secretary General's salary. The Committee comprises the Board Chair, two Board members and one independent expert and works to ensure its approach to pay is in keeping with the 2014 report on executive pay by the National Council for Voluntary Organisations. This is detailed in full on our website at <https://www.amnesty.org/en/about-us/how-were-run/finances-and-pay/>.

## **2. Public Benefit**

AIL is a not-for-profit organisation whose activities are intended to be for the public benefit.

Amnesty International campaigns to end grave abuses of human rights. Its vision broadly aligns with the following charitable purpose set out in the UK Charities Act 2011 (section 3(1) (h)), which gives a statutory basis under the law of England and Wales for treating the promotion of human rights as charitable:

- the advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity.

In addition, AIL's vision and activities are broadly aligned to the UK Charity Commission Guidance on the promotion of human rights (RR12). This Guidance specifically refers to the 'obvious public benefit' in promoting human rights, both from the point of view of an individual whose rights are secured, as well as the significant benefit to the wider community that arises from a perception that the fundamental rights of all members are being protected.

Amnesty International promotes the protection and advancement of human rights through a range of activities, including:

- undertaking, commissioning and publishing research on human rights issues around the world;
- awareness-raising of human rights issues through media, campaigns and membership communications;

## Strategic Report (continued)

- providing relief to victims of human rights abuses and violations; and
- supporting human rights education and human rights activism.

### 3. Aims

Amnesty International's mission is to undertake research and action, focused on preventing and ending grave abuses of political, civil, economic, social and cultural rights. Our core values are of an organisation that forms a global community of human rights defenders based on the principles of international solidarity, effective action for the individual victim, the universality and indivisibility of human rights, impartiality and independence, and mutual respect.

These are challenging times for justice and human rights. Inequality is rising. Armed conflicts, mass movements of people and competition for scarce resources are leaving people vulnerable. And while more people are striving to get their voices heard, states are responding by cracking down on human rights – often in the name of protecting public order or ending terrorism.

In this context, Amnesty International's vision of a world in which every person enjoys all of their human rights<sup>1</sup>, is more relevant than ever.

To realise our vision and mission, Amnesty International articulates its organisational aims in periodic strategic plans. In 2015, we adopted **Taking Injustice Personally: Strategic Goals 2016 - 2019** to focus our work and to help allocate our resources more strategically and effectively. In 2018 the strategy was extended to also cover 2020. The Goals focus around five key thematic areas:

- **GOAL 1 – Reclaiming freedoms:**
  - People 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, organise and challenge injustice
- **GOAL 2 – Securing equal rights for all:**
  - Discrimination, including violent discrimination is reduced
  - Progress is made towards equality based on gender, gender identity and sexuality
  - More people can enjoy their economic, social and cultural rights
- **GOAL 3 – Responding to crises:**
  - Civilians are better protected through effective action by national, regional and international institutions and mechanisms
  - People affected by conflict, crises, torture, have access to adequate protection and assistance
  - Those responsible for human rights abuses are held accountable and victims have access to justice, truth and reparation
- **GOAL 4 – Ensuring accountability:**
  - Regional and global human rights mechanisms are reinforced where national rights protection is failing
  - Human rights governance and accountability are strengthened at national level

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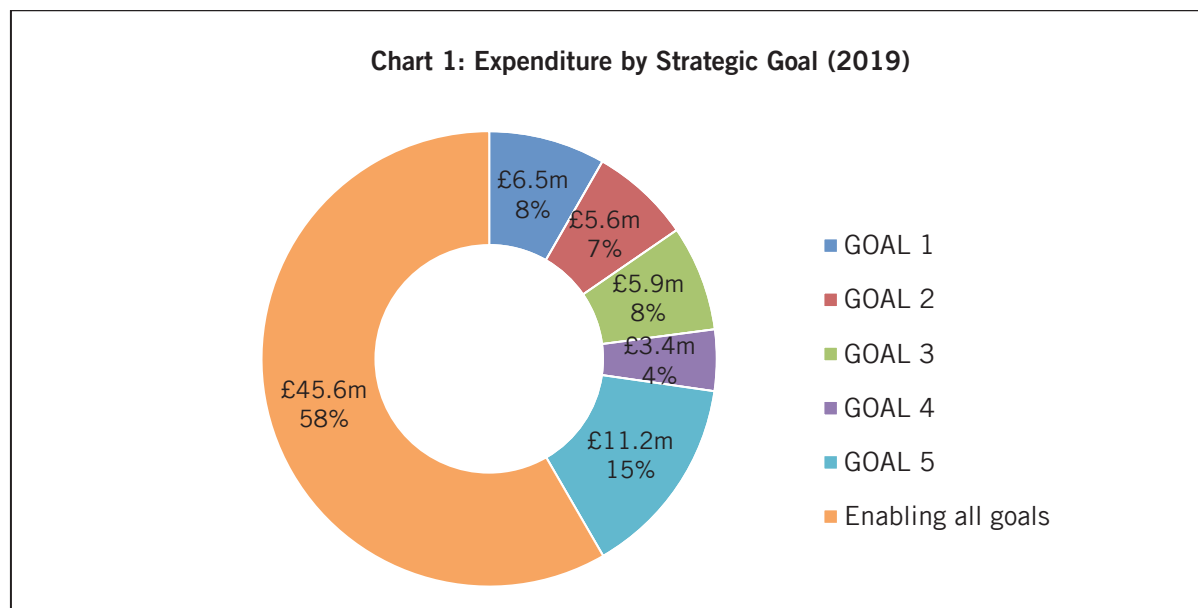
<sup>1</sup> As enshrined in the Universal Declaration of Human Rights and other international human rights standards

## Strategic Report (continued)

- **GOAL 5: Maximising our resources and engagement:**
  - Amnesty International is a larger, stronger and more diverse movement with a greater capacity to achieve human rights impact
  - Amnesty International is strengthened through active and diverse participation at all levels

The Goals are delivered through an international projects portfolio as well as national operational plans of Amnesty International entities in over 70 countries.

In 2019, ALL's expenditure was split across the strategic goals as per Chart 1.



Expenditure on enabling all goals refers to work that contributes to all or multiple goals. This includes reactive work across all goals, ongoing support to enable all goals and grants to Amnesty national entities to support their operations.

The responsibility for achieving the Goals is shared by the entire Amnesty International movement.

## 4. Achievements and Performance

Amnesty's impact in 2019 has been achieved through the deployment of a mix of key strategies that, combined with a range of other factors, made change possible. Working with and through partners is one of the most important methods used to achieve change across Amnesty's Strategic Goals. In countries that are closed or repressed, it is a prerequisite to being able to deploy other methods, such as research and capacity building with rights holders and civil society.

Amnesty has achieved some important wins by working within the human rights framework, its laws and institutions. Over the course of the year Amnesty continued to be an organisation that achieved human rights impact both by leading on cutting edge research and campaigning and by supporting grassroots organisations and partners. At the same time Amnesty has been learning from innovative approaches from across the movement, particularly from entities and teams that are testing new ways of facing the many challenges ahead.

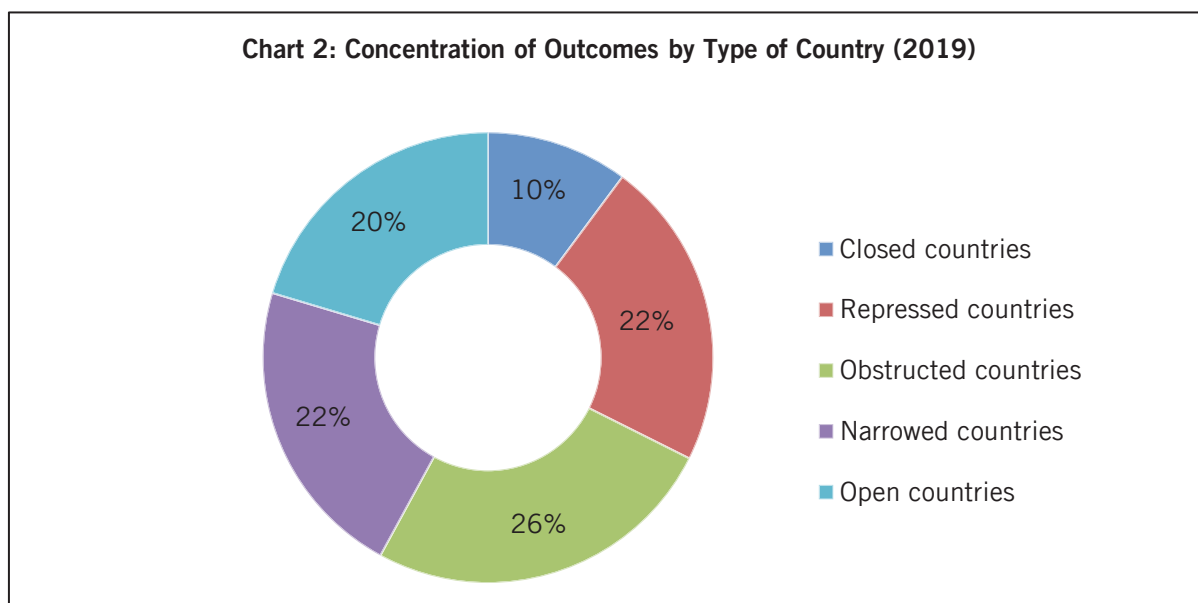
When analysing and assessing Amnesty's achievements, performance and human rights impact, progress is tracked in the form of outcomes. These are defined as an observable change in behaviour, attitude or belief of a specific actor as a result of an intervention by Amnesty. All Amnesty entities and teams report



## Strategic Report (continued)

yearly on the outcomes that their projects have achieved in the previous year. This information is then categorised and analysed by a team of monitoring and evaluation experts who aggregate those outcomes to track progress against the global targets set in Amnesty’s Strategic Goals. As well as analysing the type of impact achieved, attention is paid to Amnesty’s contribution to human rights change and added value, providing useful insights for strategic planning, adaptation and innovation going forward.

In 2019, for the first time, Amnesty has analysed how the internal and external environment enables or hinders the ability to achieve change, in order to gain a full picture of the impact made. This has been done by analysing the data submitted by national entities and IS project teams using CIVICUS Monitor’s country ratings. Amnesty has assessed the contribution in five key types of country: closed, repressed, obstructed, narrowed, and open<sup>2</sup>. Outcomes by type of country are summarised in Chart 2.



Amnesty achieved the largest proportion (26%) of Goal 1-4 outcomes in obstructed countries. However, 22% of all outcomes have been achieved in repressed countries. This is worth noting because of how challenging operating in such countries is and because Amnesty has a limited presence<sup>3</sup> in such contexts.<sup>4</sup> Another 10% of all Goal 1-4 outcomes have been registered in closed countries where Amnesty has almost no presence.<sup>5</sup> This clearly shows that despite the significant challenges posed by the external environment Amnesty is achieving change even in more difficult and less open contexts where the presence and freedom to operate is limited.

All AIL news and publications are located on the Amnesty website at: [www.amnesty.org/en/latest/](http://www.amnesty.org/en/latest/). Below are some examples of some important successes from the thematic portfolio across each Goal.

### Human Rights Defenders (HRDs) and Education (Goal 1)

A substantial part of the impact seen in reclaiming freedoms is around increasing the visibility of HRDs, of the work that they do and of the challenges they face among the public and governmental actors. Impact on individual cases continues to be an important feature in Goal 1. Examples of this include

<sup>2</sup> For more information on Civicus MONITOR country ratings, please visit <https://monitor.civicus.org/Ratings/>

<sup>3</sup> By “presence” here means a national entity or national office.

<sup>4</sup> Amnesty has 10 offices over a total of 39 countries that in 2019 had been rated as repressed.

<sup>5</sup> Amnesty has only one office (Hong Kong) out of 26 countries that in 2019 had been rated as closed.

## **Strategic Report (continued)**

thirteen peaceful protesters being released by the Algerian authorities with thanks to Amnesty Algeria and the IS monitoring, research and campaigning work; and the lawyer Michele Ndoki and hip-hop artist Valsero were released after being arbitrarily detained following demonstrations led by the Renaissance Movement, the main political opposition party in Cameroon.

Amnesty has worked on strengthening the capabilities of human rights holders, Amnesty's supporters and activists so that they know and claim their rights. Examples include Amnesty Kenya working with five youth led art groups to build young people's capabilities on human rights through the use of arts and creative expression; and Amnesty Morocco organising a series of workshops on freedom of opinion and expression and on the protection of women HRDs across universities and educational institutions. 83 activists also trained over 1,000 youth offline increasing their understanding of the importance of the work of HRDs and environmentalists.

### **Economic, Social and Cultural Rights (ESCRs) (Goal 2)**

AIL's role in the outcomes reported on ESCRs has been essential in making change happen globally. An example of this is when the El Salvador President met with the IS Amnesty delegation and committed to create a government roundtable to discuss and address the concerns that had been raised by Amnesty in a Memorandum that was delivered to the President.

There have been adoption of laws, policies or standards that are expected to have a positive impact on people's lives, with major milestones such as the approval of the marriage equality law in Taiwan, the change to a consent-based rape law in Greece and the Escazú Agreement being ratified by an additional five countries in the Americas. These are a consequence of Amnesty's and local partners' efforts through campaigning and targeted advocacy.

Human rights violations have been exposed and public awareness increased as a result. Amnesty denounced the intensifying government campaign of mass internment, intrusive surveillance, political indoctrination and forced cultural assimilation against Uyghurs, Kazakhs and other predominantly Muslim ethnic groups living in Xinjiang through targeted national and capital advocacy. This influenced 24 countries to issue a joint statement urging China to end its "mass arbitrary detentions and related violations."

### **Crisis, conflict, refugees and migrants (Goal 3)**

Outcomes achieved under Goal 3 have been around improving the public's awareness of the situation and rights of refugees and asylum seekers, for instance increasing governmental officials' awareness of concrete solutions, such as community sponsorship schemes, and exposing human rights violations committed during crisis. An example of this is that Amnesty was the first organization to expose and condemn the gross human rights violations being committed by the military and the police in the context of protests in Chile. There has been positive impact on people's lives because of the change of laws, policies and standards being adopted. For example, the European Union extending an embargo on any arms that could be used in security crackdowns in Myanmar and sanctions against 14 individuals in relations to the atrocity crimes committed against the Rohingya. Other examples are the government of Ireland re-launching their community sponsorship programme in November 2019 following an initial pilot phase, and the Danish government deciding to re-enter the UN's resettlement program and receiving 30 refugees in 2019.

### **Accountability, criminal justice and the death penalty (Goal 4)**

Ensuring accountability is characterized by a substantial portion of outcomes concerning the adoption of laws, policies and other measures aimed at ensuring that human rights abusers are held to account. AIL has been a key player in the Malaysian government continuing a moratorium on executions, and the Human Rights Council adopting one of the strongest yet resolutions on the death penalty, in line with Amnesty's advocacy objectives; the Netherlands where the Dutch police amended the instructions on

## **Strategic Report (continued)**

the use of taser; and in California where the California Act to Save Lives Bill was passed to restrict police's use of deadly force to only when necessary, in defence of human life.

Progress has been made on actors officially acknowledging the existence of a human rights issue. A clear example of this is where the Minister of Justice and Home Affairs of Mongolia made a statement in which they publicly apologized on behalf of the government that torture had been used to extract a confession. As a result, the Parliament of Mongolia set up a working group to examine the case which alleged to have used torture to extract a confession. This is a significant win for AIL given that authorities always denied wrongdoing and avoided engaging in the debate on the use of torture to extract confessions.

### **Movement growth (Goal 5)**

At the end of 2019 Amnesty reported a total of 7.8 million supporters, up 250,000 from 2018, 1.6 million from 2017 and 2.5 million from 2016. AIL continues to include growth metrics in the biggest activism and campaign initiatives. For example, in Write for Rights, Amnesty's largest activism moment, there were over 6.5 million actions taken in 2019 and at least 605,000 of those actions came from new supporters. The accelerator countries, which are those that receive the most hands-on support from the IS, continue to surpass other sections in their growth rates. For example, Argentina achieved a compound annual growth rate (2016-2019) of 127%, South Africa 76%, Peru 51% and Senegal 35%, well above Amnesty's global average of 10%. From an income growth perspective all income channels have shown growth but individual giving remains the largest income stream in AIL with its share of global income at 74% in 2019.

## **5. Fundraising**

The majority of AIL's income is contributions ("assessment") from local entities of Amnesty International ("sections") across the globe. The Global Fundraising Support Programme and the Global Philanthropy and Partnerships Programme at AIL supports sections worldwide to increase their own income through fundraising capacity building and the provision to some entities of grants for fundraising investment ("FIF grants"). Furthermore, it does some direct fundraising for the IS with individual major donors, legacies, trusts and foundations, and institutions.

The contributions made by Amnesty International entities to AIL's budget are calculated based on the assessment framework for the movement. This assessment framework, the Distribution Model, was implemented from 2016 and continued to apply in 2019. As agreed with the sections there is a review of this model which started in 2019 and is due to be completed during 2020 to make sure that this system still supports the long-term growth of the organisation globally.

In 2019, FIF grants totalled £2.7m and were granted to 11 sections. These investments supported achievement of the organisation's goal to grow global movement income from around €275m in 2015 to €317m in 2019. The goal of reaching €400m global movement income by 2020, set in 2015, will be revised as part of the movement's new strategic goal development. Investments are being made in priority markets presenting large growth potential for the organisation in terms of human rights impact, activism and income. These investments are monitored using a range of tools and Key Performance Indicators and AIL benefits from those investments through entities' reduced reliance on operational grants from AIL and potential increased assessment contributions in the future.

External fundraising activities for AIL are focussed on high value income streams by securing grants from trusts and foundations and major donations from high net worth individuals. All fundraising activities for AIL are undertaken by in-house fundraising employees in the Global Fundraising and Engagement Directorate. Therefore, no commercial organisations fundraise on behalf of AIL. The Group receives some

## **Strategic Report (continued)**

small ad hoc donations which are generally made as online donations (through the amnesty.org website) or sent to the AIL offices.

AIL does not undertake public fundraising and so has not subscribed to any UK fundraising standards or scheme for fundraising regulation. All of our fundraising activities are governed by Amnesty International's Global Fundraising Policy, Guidelines and Donor Charter. AIL is also a founding member of Accountable Now (formerly the INGO Accountability Charter), a global platform that supports Civil Society Organisations ("CSOs") to be transparent, responsive to stakeholders and focused on delivering impact. Safeguarding has been assessed as a risk and to mitigate this a safeguarding of vulnerable adults and children policy was approved in April 2020 for implementation in 2020.

AIL received no complaints in 2019 about our fundraising activity (2018: no complaints).

### **6. Plans for Future Periods**

Over the course of 2019, AIL engaged in a large consultation process reaching out to its staff, volunteers, partners as well as the general public to source ideas for its next global strategy. The consultation generated a total of 163 written submissions: 53 from national entities, 26 from IS offices and programmes, 11 from Amnesty global networks and 74 from partner NGOs and other external organisations (such as funders, NGOs and UN offices). A global survey generated over 12,000 ideas for Amnesty's future direction. On the basis of this feedback, the International Board and Senior Leadership developed a draft strategy which was also complemented by analysis of the impact achieved over the previous strategic period and foresight analysis of the emerging human rights issues. The draft was developed in a collaborative way by drawing on expertise of over 100 representatives of the organisation coming from over 25 national sections of Amnesty.

The draft strategy suggests two key areas of focus for Amnesty in the next eight years: freedom of expression and civic space, and inequality and discrimination, with targets and objectives to be adapted according to national and regional contexts. The draft strategy also retains capacity for the organization to work reactively on a broader set of human rights issues.

In 2020 the draft strategy was shared with the Amnesty movement, youth activists and external partners for a new round of consultation, with the feedback analysed to further understand how AIL can add value to specific areas of work and how best to engage and mobilise young people. A final version of the strategy is expected to be adopted at a future Global Assembly meeting when it becomes possible for the movement to meet in person again, dependent upon the restrictions surrounding Covid-19. In response to the pandemic, AIL has developed an interim Covid-19 strategy addressing: health, livelihoods, equality and non-discrimination; state overreach and abuse of power; international cooperation and assistance; and moving towards a just recovery.

### **7. Grant Making Policy**

AIL provides support to other Amnesty International entities (primarily in the global South) through the provision of grants for research, publications, education, campaigning activities, operational costs and fundraising investments. Grants payable to other Amnesty International entities are made in line with AIL's strategic objectives. AIL monitors all grants in accordance with the relevant grant agreement.

### **8. Volunteers and Interns**

AIL's volunteers have agreed to give their time and work unpaid for the main purpose of benefitting Amnesty International as a charitable organisation. This is an informal arrangement and no legal contract binds them to deliver or attend as an employee would. Volunteers typically commit to volunteer between two and three days a week for a maximum of six months. This means that volunteers, with ongoing supervision, support the work of the team by undertaking assigned and supported tasks or collaborate with team members on specific tasks. AIL's volunteers' backgrounds are varied and enable our staff to

## **Strategic Report (continued)**

benefit from the skills of a diverse range of volunteers composed largely of under and post graduate students, as well as active and retired professionals.

Interns join the organisation as fixed term employees who are paid a salary. They undertake a programme of work and development that supports Amnesty International's objectives while we help the intern develop transferable skills and expertise. An internship is a structured one-off programme of work, training (formal and informal) and development over a 6, 9 or 12-month term and supported throughout. Interns are given accountability for delivering to a defined work-plan.

### **9. Promotion of the success of the organisation to benefit its members**

The Directors confirm that in accordance with Section 172 (1) of the Companies Act they act in a way they consider would be most likely to achieve the purposes of the Company. In making this assessment the Directors have considered the following:

#### **a. The likely consequences of any decision in the long term**

The long-term sustainability of the operating model is considered by the Directors as set out in the going concern section of the Directors' Report. Specifically, the Directors consider both short- and longer-term financial projections and the key risks that could negatively impact the sustainability of ALL. The Directors review management information, budgets, forecasts, cashflow projections and progress against the financial recovery plan on a regular basis.

Risk management is embedded at all levels across the Company. The most significant risks are discussed at each Board meeting. See section 12 for further details.

The responsibilities of Directors in relation to capital expenditure and investment decisions are set out in the Capital Expenditure and Treasury Management Policies. These policies are reviewed and approved by the Finance and Audit Committee ("FAC") (delegated Board responsibility) on a bi-annual basis.

#### **b. The interests of the company's employees**

In relation to employee engagement, the Directors receive regular reports from management on the mood of staff which is measured through staff engagement surveys. The Directors held all their 2019 meetings in London enabling staff to engage with them more freely. The Board attended two staff briefings and held several round table discussions with staff in October 2019. With regards to Board Diversity, the Directors are elected by the Amnesty Movement and represent Europe (1), Americas (4), Asia (3) and Africa (1). There are four women and five men.

The Company's Employee Experience Programme ("EEP") Strategy was signed off in February 2020 by the Coalition Leadership Team. The purpose of the EEP is to create beliefs and behaviours that allow Amnesty International to purposefully and positively adapt to internal and external challenges, giving people the opportunity to flourish and belong while delivering human rights impact. The organisational culture and values are a critical component of the EEP and focus on fairness, relationships, psychological safety and commitment.

In terms of staff engagement, the Employee Experience Survey closed in April 2020 with a high (69%) response rate and all staff receive weekly communications on the EEP. Programme and Regional Directors will be required to develop People Plans to demonstrate how they are doing to improve their EEP Survey scores.

The Company has complied with the UK's Equality Act 2010 Regulations 2017 that require the publication of information on the gender pay gap for UK employees annually. The 2018 report is available on the amnesty.org website.

## **Strategic Report (continued)**

Since the beginning of 2019 all staff have been able to be involved in the development of the organisation's global strategy. Between February and August 2019, Amnesty staff could provide their input into the development of the strategy by 1) taking part in a global survey in their individual capacity 2) responding to a staff-only survey collectively with members of their team/programme 3) attending several cross-organisational events to discuss and provide ideas to the strategy.

All input was analysed and summarised and used as a basis to develop the first draft of the strategy. The first draft was developed with the support of a series of task forces made up of staff representatives. Staff were invited to apply through an internal recruitment process. Overall 40 staff representatives were selected. Staff were consequently given an opportunity to provide feedback in two consultation rounds – in November 2019 and one that is currently ongoing at the date of this report.

See section 8 for information regarding volunteers and interns.

### **c. The need to foster the company's business relationships with suppliers, customers and others**

In relation to key stakeholder engagement, the Directors consulted with sections through various channels in 2019, including correspondence, webinars, board meeting newsletters and the annual meeting.

In accordance with AIL's standard payment terms, supplier payment is due within 30 days after AIL receives the invoice from the supplier. AIL would seek to resolve any supplier disputes on a case-by-case basis. In accordance with the Company's standard terms:

- AIL reserves the right to withhold any payments or parts of payments invoiced by the supplier which Amnesty disputes in good faith.
- If AIL fails to pay any amount properly due and payable by it to a supplier, the supplier has the right to charge interest on the overdue amount at the rate of four percent per annum above the base rate for the time being of Barclays Bank PLC.

All procurements must conclude with a written agreement with the chosen supplier in the form of a contract signed by both parties. In particular, the contract must include a detailed specification of the goods/services to be supplied and a set of clear payment terms. The company has developed a set of standard terms and conditions which should be used in all contractual arrangements. These terms and conditions include a Supplier Code of Conduct. Amnesty International is committed to ensuring that its mission and values are reflected in its approach to buying goods and services. In addition to complying with all applicable statutory and legal requirements, AIL's suppliers must comply with the human rights, labour and environmental standards set out in the Code as an absolute minimum and take reasonable steps to ensure that those with whom they have a business relationship do likewise.

AIL works with a range of donors in support of furthering its aims and objectives. AIL's fundraising is bound by a code of conduct, ethical guidelines and a movement-wide fundraising policy. AIL is transparent with information and prides itself on building mutually beneficial relationships.

### **d. The impact of the company's operations on the community and the environment**

The Company has completed the Energy Savings Opportunity Scheme (ESOS) reporting requirements and is preparing for reporting under the Streamlined Energy and Carbon Reporting (SECR).

The Company has a draft environmental strategy and policies covering energy, waste, travel and staff engagement that will be approved by the Board in 2020. This framework will be used as guidance for the whole Amnesty movement, as part of the project to reach net zero carbon by 2035.

## Strategic Report (continued)

### **e. The desirability of the company maintaining a reputation for high standards of business conduct**

The Company's Procurement Policy that has been approved by the FAC as delegated by the Board, outlines the responsibility of company employees to undertake procurement processes that demonstrate fairness and integrity, comply with relevant laws and regulations, keep information confidential and secure and ensure procurement best practice is followed. Amnesty International intends to fully comply with the obligations under the Modern Slavery Act 2015 and has published a detailed, annual transparency statement for the year ended 31 December 2019 that has been approved by the International Board. The Company conducted a risk-based audit of relevant supplier categories engaged in 2019 specifically for modern slavery due diligence and published key findings in the annual transparency statement that can be found at [www.amnesty.org/en/documents/org20/2632/2020/en/](http://www.amnesty.org/en/documents/org20/2632/2020/en/). The Company's Anti-Fraud, Bribery and Corruption Policy that has been approved by the FAC (delegated Board responsibility) sets out the responsibilities of staff to report any incidents or suspicion of fraud, bribery or corruption arising in the course of their work and to cooperate fully with related investigations; and comply with applicable IS Finance policies and procedures. Amnesty International takes a zero tolerance approach towards fraud, bribery and corruption. It is committed to complying with all applicable laws and regulations relating to fraud, bribery and corruption wherever it operates (including the UK Fraud Act 2006 and Bribery Act 2010 which applies to Amnesty International IS operations both in the UK and globally).

The company has an organisational policy on Anti-Terrorism Vetting and Compliance which sets out the requirements for performing an appropriate level of due diligence on organisations and individuals to which it provides funds or support, related decision-making procedures, and procedures for reporting and disclosure of specific situations of concern by IS Staff. The company also uses an Anti-Money Laundering Screening Solution to periodically review all open supplier accounts.

### **f. The need to act fairly as between members of the company.**

The Directors have a conflicts of interest policy contained in their working rules. In 2019, one Director stepped back from a personal appointment when a change in ownership presented a potential conflict of interest with Amnesty International Limited.

## **10. Financial Review**

Results for AIL show net incoming funds of £9,855,000 (2018: net outgoing funds of £9,164,000). Free reserves at the start of 2019 were £2,907,000 below the minimum reserves target of £7,600,000 and a budget shortfall was forecast for 2019. As such, the Directors started to implement a financial recovery plan in 2019, continuing into 2020, which aimed to rebalance the IS budget and grow free reserves back to the target level. This was to be achieved through both targeted cost savings and securing additional financial support in the form of additional voluntary contributions from Amnesty sections. Both strategies were successfully implemented with £6,411,000 of additional voluntary contributions received in the year, due to the generous support of sections, and savings targets exceeded. There was unforecast out-performance from certain sections which meant that assessment income was higher than forecast. For these reasons, the Group had total net incoming funds of £9,855,000 and ended 2019 with free reserves of £11,427,000, which was £3,827,000 higher than the 2019 target of £7,600,000.

AIL is principally funded by contributions from country sections as assessed by the Global Assembly, with smaller amounts received through grants from trusts and foundations and donations from the public. Total income has increased to £85,732,000 (2018: £74,538,000) mainly due to the additional voluntary contributions received from sections in response to the IS's call for support from sections as part of the financial recovery plan.

Total expenditure was £78,214,000 (2018: £81,330,000) including restructuring costs incurred in the year of £2,208,000 (2018: £375,000). Restructuring costs in 2019 related to the programme of headcount reductions put in place to reduce staff costs from 2020 onwards as part of the financial

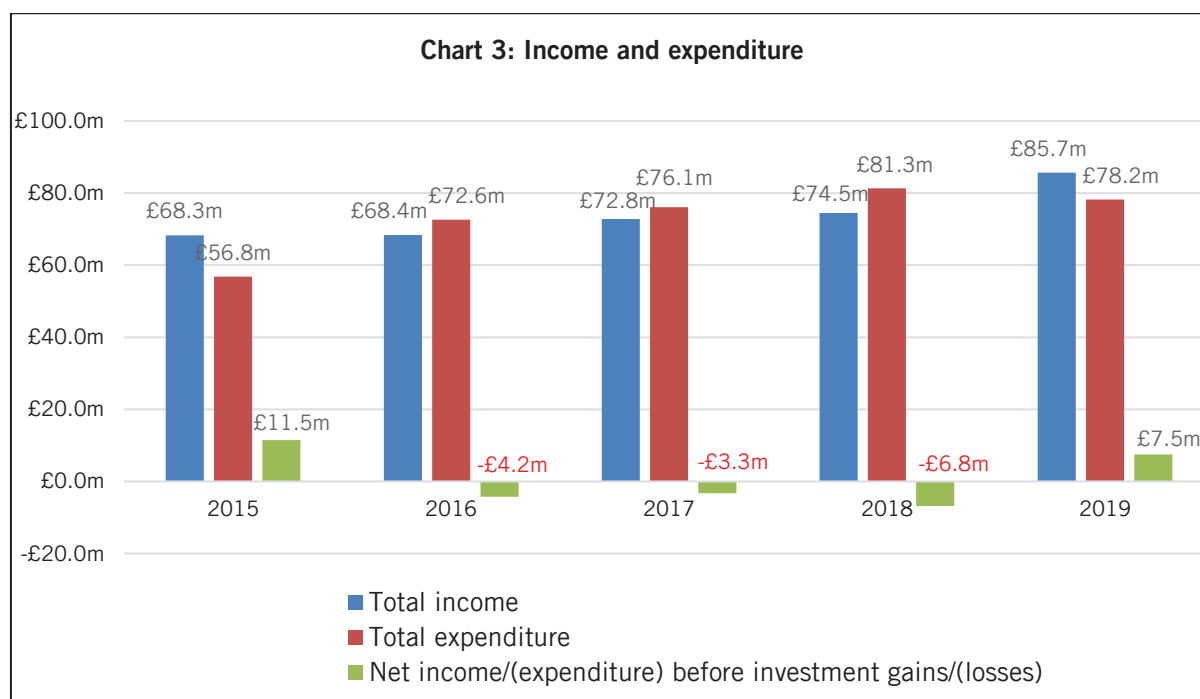
## Strategic Report (continued)

recovery plan. Restructuring costs in 2018 related to the final stages of the change in organisational structure and development of regional offices under the Global Transition Programme, which ended in 2018.

AIL has net current assets of £16,513,000 as at 31 December 2019 (31 December 2018: £11,850,000). AIL has unrestricted funds totalling £24,155,000 at the balance sheet date (31 December 2018: £16,511,000). Net cash inflow from operating activities for the year was £1,983,000 (2018 net cash outflow: £6,799,000). AIL has cash at bank and in hand and short term investments totalling £13,503,000 as at 31 December 2019 (31 December 2018: £11,832,000).

In 2018 AIL made a donation of £300,000 to Amnesty International Charity under the Gift Aid scheme but did not make a donation in 2019.

Performance during the financial period, together with historical trend data is set out in Chart 3.



### 11. Investment and Hedging Policy

AIL has developed a Treasury Management Policy which is intended to achieve the maximum possible return through fund management, whilst operating strictly within a minimum risk framework and in consideration of the ethical standings of banking institutions, with no use of speculative products. To maximise investment returns the IS uses a range of current, call and deposit accounts.

The Treasury Management Policy also aims to minimise the risk arising from exposure to exchange rate fluctuations and the resultant impact on cash flows arising from assets and liabilities held in foreign currencies.

In 2019, AIL continued to refine its hedging strategy, in order to minimise risk of exchange rate movements adversely impacting on the value of foreign currency receipts and payments. See note 29 for a summary of hedging contracts at 31 December 2019.



## Strategic Report (continued)

### 12. Principal Risks and Uncertainties

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

ALL's risk register is reviewed and discussed by the Coalition Leadership Team and the FAC on a quarterly basis, and the most significant risks are discussed at each Board meeting. Risk management is embedded at all levels, and the risks facing the organisation are identified and documented in the ALL risk register through a quarterly internal process. Mitigating actions are identified and delivery is monitored against milestones and corrective action taken accordingly. The Directors ensure that for each risk:

- approach to manage that risk, with appropriate mitigation procedures, is developed
- responsibilities for implementation and review are assigned
- the status is monitored on a regular and timely basis

The top five risk areas in 2019 were assessed as the following:

#### **Covid-19 pandemic**

**Human rights:** Many measures to contain the spread of Covid-19 appear to be proposed and implemented without full consideration of potential consequences for the enjoyment of all human rights by all, whether infected, at risk, or part of the wider population. As such the focus of Amnesty International's campaigning work will shift in the short term to respond to the human rights impact of the crisis. Further, the ability of staff to travel to deliver planned work has been substantially curtailed.

**Financial:** Quarantines, social distancing and shielding policies in place in many countries have severely impacted on Amnesty International sections' ability to secure new donors. Initial updates from sections indicate a 7% reduction in income from sections in 2020 compared to original budget. In addition, the Covid-19 crisis has led to a need for a reallocation of resources at the IS to support the Amnesty organisational response. Therefore, savings have been targeted in travel costs among other areas in order to build a Covid-19 contingency pot. This contingency pot is intended to fulfil the need for short term unbudgeted expenditure arising as a result of the Covid-19 crisis, including, for example, the cost of additional human rights response work and the costs of remote working. The full impact for future years is uncertain, and so four scenarios are being modelled and planned for and will be updated as the situation changes and new information becomes available. A monthly update meeting is held with the top 13 sections (representing 94% of total annual assessment income) where the sections provide monthly monitoring information and updates on future years' income, so the impact of Covid-19 can be assessed in detail. The meetings are also used for sections to provide updates on any expected delays in future payments of assessment income to the IS.

**Staff wellbeing:** The Covid-19 outbreak may cause significant stress to colleagues for themselves and their loved ones and potentially high rates of sickness absence. This will require changes to usual policies on sickness absence, flexible working, dependants' leave, and holidays. Mandatory home working for most staff will impact on productivity and mental health.

**Fraud and security:** Cybercriminals are among the first to attempt to spread disinformation and seek financial gain during such wide-spread global crises. New joiners may need to use unsecure personal devices as they may have no access to Amnesty hardware.

#### **Staff wellbeing**

Organisational culture factors are at risk of exacerbating work-related pressure on staff, with the potential impact of reducing wellbeing and the ability to achieve our goals and resulting in reputational issues. The Board has endorsed the Employee Experience Plan (see Section 9. above) that serves as a blueprint

## **Strategic Report (continued)**

for action and the adoption of a new mind-set for a healthier and kinder future. This plan encompasses the implementation of the recommendations of the external reviews carried out in 2018 related to wellbeing, including the surveys focused on #MeToo. This work, its prioritisation, and progress monitoring is being overseen by a Governance Group chaired by the Secretary General and including staff/union, Board and Amnesty section representation.

### **Performance on core human rights work**

Inaccurate or untimely research outputs pose a significant risk to Amnesty's reputation, effectiveness and credibility. Amnesty will update the quality assurance framework, and review our research outputs to highlight best practice and identify issues to be addressed.

### **Financial risks**

AIL runs a tight budget. It is dependent upon voluntary income from other Amnesty International member entities and from third party donors to fund core human rights work. It is exposed to risks around liquidity, failure to maintain financial viability and the new Covid-19 crisis. Mitigations include regular reforecasting and robust financial modelling, effective cash management, reviewing our assessment mechanism to seek to mitigate the impacts of structural income uncertainty, creating additional contingency within our budget and continuous cost reduction programmes. The long-term plan is to ensure a balanced budget and to increase reserves to an acceptable financially sustainable level.

### **Security**

Low preparedness and resilience to threats could lead to injury, death, reduced ability to operate and reputational damage. Mitigations include embedding the global security framework through continuous training, communications and reinforcement of policy.

## **13. Pension Fund**

The FRS 102 valuation of the AIL defined benefit pension scheme as at 31 December 2019 supplied by AIL's actuaries showed a deficit figure of £351,000 (31 December 2018: £2,119,000).

The FRS 102 results can change significantly from year to year depending on market conditions. The liabilities are linked to yields on AA-rated corporate bonds, whereas some of the assets of the Scheme are invested in growth assets, such as equities and property. Changing market values in conjunction with discount rate variability can lead to volatility in the funded status of the Scheme and thus to volatility in the net pension liability.

A full actuarial valuation is carried out approximately every three years. The most recent was carried out as at 30 September 2017 which revealed a funding shortfall of £3,958,000 (September 2014: £7,996,000). AIL is currently making annual contributions of £1,616,000, as agreed with the Trustees of the pension scheme, to eliminate this shortfall. The next full actuarial valuation will be carried out as at 30 September 2020, to be completed in 2021, and will therefore incorporate some of the impacts of Covid-19.

In April 2013 the scheme rules were amended and a stand-alone trust created to hold life insurance policies, removing these from the main scheme trust. This was to comply with pensions law requirements requiring pension schemes to be restricted to 'retirement benefit activities'.

## **14. Reserves**

At 31 December 2019 AIL Group (which includes all Company branches and its subsidiaries) had total reserves of £26,366,000 (31 December 2018: £16,511,000) of which £24,155,000 were unrestricted and £2,211,000 restricted (31 December 2018: £16,511,000 unrestricted and £nil restricted). Free reserves were £11,427,000 (31 December 2018: £4,693,000), calculated by excluding the defined benefit pension scheme liability, tangible fixed assets, certain loans to sections and the holiday pay

## **Strategic Report (continued)**

provision from AIL Group's unrestricted funds. In line with Charity Commission guidance, free reserves are calculated as the Group's unrestricted fund that are freely available to spend, without negatively impacting the Group's operations.

At 31 December 2019 AIL Company (which includes branches but not subsidiaries) had total reserves of £22,738,000 (31 December 2018: £14,009,000) of which £20,527,000 were unrestricted and £2,211,000 restricted (31 December 2018: £14,009,000 unrestricted and £nil restricted). Free reserves were £8,153,000 (31 December 2018: £2,755,000), calculated by excluding the defined benefit pension scheme liability, tangible fixed assets, certain loans to sections and the holiday pay provision from AIL Company's unrestricted funds.

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

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

1. The Group's risk management framework;
2. Income budgets/forecasts and analyses of the reliance on the stability of future sources of income;
3. Monthly expenditure budgets, forecasts, including staff costs, Resource Allocation Mechanism / Fundraising Investment Fund (RAM/FIF) grants to sections/structures, and capital expenditure;
4. Cash flow forecasts including the required contributions in respect of the defined benefit pension scheme;
5. Levels of reserves held by IS branches and subsidiaries, including any practical restrictions on access to those reserves and the appropriate levels which are required for liquidity and the mitigation of financial risk at the level of the branch or subsidiary.

In consideration of these factors and the Covid-19 crisis, the FAC and International Board are in the process of reviewing the free reserves minimum target as it is recognised that the current target minimum of £7,600,000 should be increased in the future. At 31 December 2019, the Group's free reserves were £3,827,000 above the minimum target. During 2020 AIL will continue to implement the financial recovery plan put in place in 2019 in order to grow free reserves further bearing in mind the likely effects of the Covid-19 pandemic on future income and related expenditure. It is recognised that the level of future reserves will not be able to increase significantly in 2021 and 2022 due to the effects of the pandemic.

### **15. Going Concern**

AIL is dependent on income from the global Amnesty sections to fund its activities. The Directors prepare annual budgets and forecasts in order to ensure that they have enough funds in place to manage working capital on an annual basis. The Directors also prepare longer-term high-level budgets in order to plan the future strategy, development and sustainability of the organisation.

The key risks and uncertainties that impact upon the immediate liquidity and longer-term solvency of the organisation are:

- Underachievement on assessment income from sections. The amount of assessment income received is based on the assessment system, known as the Distribution Model. The "real time" basis of this model means that changes in performance or strategy of sections can have immediate detrimental impacts to AIL's assessment income. Any variation from the assessment income payment schedule would present additional risk.

## **Strategic Report (continued)**

- ALL has a large and inflexible cost base which cannot be reduced easily.
- ALL must manage considerable foreign currency exchange rate risk, with the majority of ALL's income received in foreign currencies.

The nature of income and operations means the company envisages it will be less affected by the Covid-19 pandemic than many other organisations in the short term. The company has responded to the impacts of the pandemic and is confident it can continue its operations. Longer term impacts to the company's financial performance are considered probable. Most significantly, an impact on fundraising activities and the broader possible economic impacts on charitable giving, may see Amnesty sections' income decrease resulting in ALL's assessment income reducing.

Considering the impact that Covid-19 may have on the company, the Directors have carried out further financial modelling incorporating risk averse assumptions based on the latest updates received from Amnesty sections. The Directors have modelled four scenarios for different levels of reduction in assessment income in the period from 2020 to 2022 and determined the necessary cost saving actions that would be required in order to maintain the minimum target free reserves and ensure liquidity.

Recognising the uncertainty surrounding the financial impacts of Covid-19, the Board have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements.

These include:

- The targeted cost savings strategies identified that can be implemented under differing scenarios.
- The successful implementation of cost saving strategies over the previous year as part of the ongoing financial recovery plan.
- The close monitoring of sections' financial performance and forecasts and consideration of a collective response with sections.
- The cash management controls in place to ensure sufficient working capital at all times. This includes the rescheduling of grant payments and income invoicing.
- Additionally, ALL has an overdraft facility in place until 30 June 2021 and there is the option to extend to 31 December 2021 should this be required. Cash flow forecasting has been completed to the end of 2021.

After considering these factors, the Directors have concluded that the company has a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future and have continued to prepare the financial statements on the going concern basis.

## **16. Auditors**

Insofar as each of the Directors of the Company at the date of approval of this report is aware, there is no relevant audit information (information needed by the Company's auditor in connection with preparing the audit report) of which the Company's auditor is unaware. Each Director has taken all of the steps that they should have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company'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.

## Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland, and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and AIL and of the profit or loss of AIL for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102, effective 1 January 2015). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors' Report was approved by the board of trustees including the strategic report contained therein, and is signed as authorised on its behalf:



BY ORDER OF THE BOARD

Sarah Beamish

Director

22 August 2020

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

### **Opinion**

We have audited the financial statements of Amnesty International Limited (the "parent company") and its subsidiaries (the "group") for the year ended 31 December 2019 which comprise Consolidated Statement of Financial Activities (incorporating the Income and Expenditure Account), Consolidated and Company Balance Sheets, Consolidated 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 group's and of the parent company's affairs as at 31 December 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group 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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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 Directors 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.

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.

### **Opinion on other matter 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 strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

### **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement, the Directors 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 Directors 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 Directors are responsible for assessing the group's and the parent 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 Directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

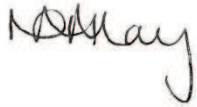
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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](http://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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nicola May  
Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor  
London

**2 September**                      2020



**Consolidated Statement of Financial Activities  
(Incorporating the Income and Expenditure Account)  
For the year ended 31 December 2019**

		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	Notes	2019 £'000	2019 £'000	2019 £'000	2018 £'000
<b>Income from</b>					
Donations and legacies	5,6	76,442	340	76,782	67,216
Charitable activities	7	2,397	6,254	8,651	7,092
Other trading activities		168	-	168	98
Investment income	8	131	-	131	132
<b>Total income</b>		<b>79,138</b>	<b>6,594</b>	<b>85,732</b>	<b>74,538</b>
<b>Expenditure on</b>					
Raising funds	10	3,858	-	3,858	4,674
Charitable activities	10	67,765	4,383	72,148	76,281
Restructuring costs	10	2,208	-	2,208	375
<b>Total expenditure</b>		<b>73,831</b>	<b>4,383</b>	<b>78,214</b>	<b>81,330</b>
<b>Net income/(expenditure) before investment gains/(losses)</b>		<b>5,307</b>	<b>2,211</b>	<b>7,518</b>	<b>(6,792)</b>
Net gains/(losses) on investments		2,149	-	2,149	(60)
<b>Net income/(expenditure)</b>		<b>7,456</b>	<b>2,211</b>	<b>9,667</b>	<b>(6,852)</b>
<b>Other recognised gains/(losses)</b>					
Actuarial gains/(losses)	14	188	-	188	(2,312)
<b>Net movement in funds</b>		<b>7,644</b>	<b>2,211</b>	<b>9,855</b>	<b>(9,164)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		16,511	-	16,511	25,675
<b>Total funds carried forward</b>		<b>24,155</b>	<b>2,211</b>	<b>26,366</b>	<b>16,511</b>

The notes on pages 27 to 59 form part of these financial statements.

## Consolidated and Company Balance Sheets as at 31 December 2019

Company no: 1606776

	Notes	Group		Company	
		2019 £'000	2018 £'000	2019 £'000	2018 £'000
<b>Fixed assets</b>					
Tangible assets	17	13,531	14,714	12,974	13,938
Investments	17,18,19	1,466	1,477	447	508
<b>Total fixed assets</b>		<b>14,997</b>	<b>16,191</b>	<b>13,421</b>	<b>14,446</b>
<b>Current assets</b>					
Debtors: amounts falling due within one year	20	11,844	12,173	11,702	11,299
Debtors: amounts falling due after one year	20	120	20	120	-
Short term investments	21	1,592	91	-	-
Cash at bank and in hand	22	11,911	11,741	9,305	9,496
<b>Total current assets</b>		<b>25,467</b>	<b>24,025</b>	<b>21,127</b>	<b>20,795</b>
Creditors: amounts falling due within one year	23	(8,954)	(12,175)	(6,875)	(9,921)
<b>Net current assets</b>		<b>16,513</b>	<b>11,850</b>	<b>14,252</b>	<b>10,874</b>
<b>Total assets less current liabilities</b>		<b>31,510</b>	<b>28,041</b>	<b>27,673</b>	<b>25,320</b>
Creditors: amounts falling due after more than one year	24	(1,580)	(5,810)	(1,574)	(5,803)
<b>Provisions for liabilities and charges</b>					
Provisions	26	(3,213)	(3,601)	(3,010)	(3,389)
Defined benefit pension scheme liability	14	(351)	(2,119)	(351)	(2,119)
<b>Net assets</b>		<b>26,366</b>	<b>16,511</b>	<b>22,738</b>	<b>14,009</b>
<b>Funds</b>					
Unrestricted funds excluding pension reserve	27	10,975	3,916	7,904	2,190
Designated funds - fixed assets		13,531	14,714	12,974	13,938
Pension reserve	14	(351)	(2,119)	(351)	(2,119)
<b>Total unrestricted funds</b>		<b>24,155</b>	<b>16,511</b>	<b>20,527</b>	<b>14,009</b>
<b>Restricted funds</b>		<b>2,211</b>	<b>-</b>	<b>2,211</b>	<b>-</b>
<b>Total funds</b>		<b>26,366</b>	<b>16,511</b>	<b>22,738</b>	<b>14,009</b>

The parent Company's net incoming resources for the year ended 31 December 2019 totalled £8,729,000 (2018: net outgoing resources of £9,372,000).

The financial statements were approved and authorised by the Board of Directors on 22 August 2020 and signed on their behalf by



Sarah Beamish, Chair.

The notes on pages 27 to 59 form part of these financial statements.

**Consolidated Cash Flow Statement**  
**For the year ended 31 December 2019**

	Note	2019 £'000	2018 £'000
<b>Cash inflows/(outflows) from operating activities</b>	32	1,983	(6,799)
<b>Cash (outflows)/inflows from investing activities</b>			
Purchase of tangible fixed assets		(299)	(1,320)
Proceeds on disposal of fixed assets		16	-
Disposal of subsidiary cash		(113)	-
Interest received		131	132
		(265)	(1,188)
<b>Cash outflows from financing activities</b>			
Interest paid		(47)	(87)
		(47)	(87)
<b>Increase/(decrease) in cash &amp; cash equivalents</b>		1,671	(8,074)
Cash & cash equivalents as at 31 December 2018		11,832	19,906
<b>Increase/(decrease) in cash &amp; cash equivalents</b>		1,671	(8,074)
<b>Total cash &amp; cash equivalents as at 31 December 2019</b>		13,503	11,832

## **Notes to the Financial Statements**

### **For the year ended 31 December 2019**

#### **1 Company information**

Amnesty International Limited ("AIL") is a company limited by guarantee in England and Wales under number 1606776 and its registered office is 1 Easton Street, London, WC1X 0DW. AIL is a not for profit organisation whose activities meet the definition of a Public Benefit Entity under FRS102.

#### **2 Basis of accounting**

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention in accordance with the Financial Reporting Standards, applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and, voluntarily, the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) effective 1 January 2015. The Directors have voluntarily adopted the substantive requirements of this SORP as if the Company were a charity as they consider that this is the most appropriate format to give a true and fair view of the Company's and Group's activities. AIL has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about AIL's financial instruments. In accordance with the provisions of s408 of the Companies Act 2006, AIL is exempt from the requirement to present its own Income and Expenditure Account and Statement of Financial Activities.

##### **Going concern**

AIL is dependent on income from the global Amnesty sections to fund its activities. The Directors prepare annual budgets and forecasts in order to ensure that they have enough funds in place to manage working capital on an annual basis. The Directors also prepare longer-term high-level budgets in order to plan the future strategy, development and sustainability of the organisation.

The key risks and uncertainties that impact upon the immediate liquidity and longer-term solvency of the organisation are:

- Underachievement on assessment income from sections. The amount of assessment income received is based on the assessment system, known as the Distribution Model. The "real time" basis of this model means that changes in performance or strategy of sections can have immediate detrimental impacts to AIL's assessment income. Any variation from the assessment income payment schedule would present additional risk.
- AIL has a large and inflexible cost base which cannot be reduced easily.
- AIL must manage considerable foreign currency exchange rate risk, with the majority of AIL's income received in foreign currencies.

The nature of income and operations means the company envisages it will be less affected by the Covid-19 pandemic than many other organisations in the short term. The company has responded to the impacts of the pandemic and is confident it can continue its operations. Longer term impacts to the company's financial performance are considered probable. Most significantly, an impact on fundraising activities and the broader possible economic impacts on charitable giving, may see Amnesty sections' income decrease resulting in AIL's assessment income reducing.

## **2 Basis of accounting (continued)**

Considering the impact that Covid-19 may have on the company, the Directors have carried out further financial modelling incorporating risk averse assumptions based on the latest updates received from Amnesty sections. The Directors have modelled four scenarios for different levels of reduction in assessment income in the period from 2020 to 2022 and determined the necessary cost saving actions that would be required in order to maintain the minimum target free reserves and ensure liquidity.

Recognising the uncertainty surrounding the financial impacts of Covid-19, the Board have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements.

These include:

- The targeted cost savings strategies identified that can be implemented under differing scenarios.
- The successful implementation of cost saving strategies over the previous year as part of the ongoing financial recovery plan.
- The close monitoring of sections' financial performance and forecasts and consideration of a collective response with sections.
- The cash management controls in place to ensure sufficient working capital at all times. This includes the rescheduling of grant payments and income invoicing.
- Additionally, AIL has an overdraft facility in place until 30 June 2021 and there is the option to extend to 31 December 2021 should this be required. Cash flow forecasting has been completed to the end of 2021.

After considering these factors, the Directors have concluded that the company has a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future and have continued to prepare the financial statements on the going concern basis.

### **Basis of consolidation**

All companies over which AIL is able to exercise control are consolidated as subsidiary undertakings. Control is defined as the right to give directions as to operational and financial policies. Therefore Centro de Lenguas de Amnistia Internacional (CLAI), Centre de Ressources Linguistiques d'Amnesty International – Unité Chargée de la Langue Française (AILRC-Fr), Amnesty International Asia-Pacific Regional Office Limited (AIAPROL), Oficina Regional de Amnistía Internacional (Mexico), Amnesty International - European Association, a Belgian international not for profit association (EIO), Amnesty International Afrique du Nord (Tunisia), Amnesty International South Asia (Colombo) and Amnesty International Limited Sucursal Peru (Lima) have been consolidated into these group financial statements. It is considered that AIL exercises control over Amnesty International Charity (a registered charity) as AIL is the sole member of Amnesty International Charity ("AIC") and AIL as the Sole Member has the final decision and complete discretion in respect of the appointment of new Trustees of AIC.

Since 2016, the Centre for the Protection of Human Rights and Social Justice of Amnesty Intl Nigeria (AI Nigeria) has been consolidated into the Group on the basis of AIL having control of AI Nigeria. On 17th July 2019 the composition of the Board of Trustees changed and as a consequence AIL is no longer considered to have management control. Therefore on 17th July 2019 the AIL Group recorded a disposal of the subsidiary and the acquisition of an associate on the basis that AIL retained partial control. See Note 18 for further detail. The associate has been accounted for using the equity accounting method.

The accounting reference date of the Company and its subsidiaries is 31 December.

The Company carries out some operations overseas through a number of overseas offices that it controls as branches. These are located in New York, Dakar, East Jerusalem, Kiev, Johannesburg, Nairobi, Beirut, Washington DC, Bangkok and Moscow. The company only financial statements include the results, assets and liabilities of these offices.

## **2 Basis of accounting (continued)**

AIL also has control of two dormant entities: Amnesty International South Asia Foundation and Amnesty International, Secretariat International, Bureau Français. These entities are not consolidated into these group financial statements on the grounds of immateriality.

The financial statements do not include the activities of the sections of the Amnesty International movement, as these are separate legal entities that are neither owned nor controlled by the Company.

## **3 Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the presentation of the financial statements are as follows:

### **Presentation currency**

The functional currency of the Group is considered to be pounds sterling because that is the currency of the primary economic environment in which the group operates. The consolidated financial statements are also presented in pounds sterling.

### **Foreign exchange risk**

Amnesty International enters into forward rate currency contracts to manage its exposure to fluctuations in exchange rates throughout the year. These contracts are recognised at fair value with gains or losses recognised in the Statement of Financial Activities.

### **Significant sources of estimation**

In the application of the Company's accounting policies, Directors 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 ongoing 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.

In the view of the Directors, 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.

Key sources of estimation uncertainty that have a significant effect on the accounts are:

- Defined benefit pension scheme actuarial assumptions
- Provisions
- Depreciation
- Valuation of donated goods, facilities and services

Please refer to the relevant accounting policy notes below for more information.

### **3 Accounting policies (continued)**

#### **Fund accounting**

The Group maintains two types of fund:

Restricted: Where income is received from donors for use on specific projects, including relief.

Unrestricted: For use by the Directors to further the general objects of the Group. The Directors, at their discretion, may set aside funds to cover specific future costs. Such funds are shown as designated funds within unrestricted funds. Where the Directors decide such funds are no longer required for the purposes intended, they may be released by transfer to general unrestricted funds.

#### **Income**

##### *Assessment income*

The assessment contributions are calculated based on a section's results for the current year and applying a scale of contribution rates.

Assessment contributions are invoiced throughout the year, on a quarterly or monthly basis in the financial year to which they relate. Payment plans are agreed on a section-by-section basis, with the majority of payments being made quarterly in arrears.

Any differences in the pound sterling value of income recognised and the pound sterling value at receipt date is recognised as assessment income as opposed to foreign exchange gains and losses.

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

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

##### *Additional voluntary contributions*

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

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

##### *Donation income*

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

##### *Legacy income*

Legacies are recognised when the Company has entitlement, receipt is probable and the amount can be measured with reasonable accuracy.

### **3 Accounting policies (continued)**

#### *External grants*

Where no performance conditions relating to the receipt of incoming resources are set then restricted grant revenue is recognised when receivable (when the conditions of entitlement, probability and measurement 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 conditions have been met. Where grants are subject to donor imposed conditions which specify the time period in which expenditure can take place and there exist detailed expenditure budgets with explicit timescales (that have been agreed by the grantor and grantee), then incoming resources are matched with expenditure such that revenue relating to expenditure in future periods is recorded as deferred revenue when received.

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

External grants are classified as income from charitable activities.

#### *Sales income*

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

#### *Donated goods, facilities and services*

Donated goods, facilities and services are included as income (with an equivalent amount in expenditure) at the estimated value to the Group where this is reasonably quantifiable, measurable and material. Donated goods, facilities and services relate predominantly to the considerable support received from legal firms on a pro bono basis. The value to the Group has been estimated based on hours donated multiplied by the hourly rate of in-house counsel. The Group has also benefitted from the contribution of unpaid volunteers. These contributions are not recognised in the accounts because of the absence of a reliable measurement basis.

#### **Expenditure**

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

Resources expended are classified into raising funds, campaigning, research and publication activities, and movement support and growth. Where expenditure cannot be directly attributed to particular headings (such as support costs) it is allocated based upon the proportion of direct costs incurred in each area.

#### *Raising funds*

Cost of raising funds comprises costs incurred by the Group relating to the submission of funding proposals (including letters of interest, concept notes and full proposals) to grant giving bodies and support provided to sections for their own fundraising applications.



### **3 Accounting policies (continued)**

*Activities in pursuance of the Group's objectives comprise:*

1. Charitable activities, including those undertaken on behalf of AIC which include:

- 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

2. Activities in pursuance of securing the observance of the Universal Declaration of Human Rights throughout the world which would not be considered to be charitable under United Kingdom law. Such activities principally comprise campaigns undertaken with a view to influencing actions taken by sovereign governments.

#### *Governance costs*

Governance costs represent costs that relate to the general running of the Group as opposed to the direct management functions inherent in the activities of the Group.

#### *Restructuring costs*

Restructuring costs are included in the Consolidated Statement of Financial Activities with the item to which they relate, except where they relate to a fundamental restructuring, in which case they are identified separately from net income/expenditure before investment gains/losses. In 2019 redundancy costs related to the programme of headcount reductions implemented in the year as part of a financial recovery plan put in place to balance expenditure against income and restore free reserves. In 2018 redundancy costs were associated with the reorganisation of the departments relating to the Global Transition Programme that took place from 2012 to 2018. These costs were considered to represent a fundamental restructure, along with subsequent costs of relocation to new Regional Offices and the related project management costs.

#### *Grants*

Amounts payable to sections and partners to support fundraising, research, publications and campaigning activities are charged to the Statement of Financial Activities when an obligation exists.

Grants to sections made to support sections' operations are considered to be part of the costs of activities in furtherance of the Group's objectives as grants are used by recipients to undertake campaigning, research and publication activities. They are classified as campaigning or research and publication activity costs. Grants to sections made to support sections' fundraising activities are considered to be part of the costs of activities in the furtherance of the Group's objectives as they support the growth of the Amnesty movement. These grants are classified as movement support and growth costs.

### **3 Accounting policies (continued)**

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation. Assets costing less than £1,000 are written off in the period of acquisition.

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

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

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

#### **Leased assets**

Operating lease rentals are charged to expense on a straight line basis over the term of the lease.

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

Investments in subsidiaries and other companies are shown in the Company Balance Sheet at historical cost.

#### **Investment properties**

Investments in properties are shown in the Group Balance Sheet at the agreed sale price. Sale price is deemed to be the fair value.

#### **Cash and cash equivalents**

Cash and cash equivalents include deposits repayable on demand without penalty. Short term money market deposits, and fixed term cash deposits which do not meet this criterion are held under current assets as short term investments.

#### **Provisions**

A provision is recognised in the balance sheet when there is a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the Balance Sheet date. With the exception of the defined benefit pension scheme deficit, provisions are not discounted to the present value as they are expected to be settled within 12 months of the Balance Sheet date.

#### **Foreign currency**

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

Foreign exchange gains and losses arise mainly on the conversion and translation of income. As such the net gain or loss is included within income in the Statement of Financial Activities.

The results of overseas subsidiaries are translated at the average rates of exchange during the period and their Balance Sheets at the rates ruling at the Balance Sheet date. Exchange differences arising on translation of the opening net assets and results of overseas subsidiaries are reported in the Statement of Financial Activities as gains/losses on investment.

### **3 Accounting policies (continued)**

#### **Pension costs**

The Group operates defined benefit and defined contribution pension schemes.

Under the defined benefit scheme, the pension liabilities and assets are recorded in line with FRS 102, with a valuation undertaken by an independent actuary. FRS 102 measures the value of pension assets and liabilities at the Balance Sheet date, determines the benefits accrued in the period and the interest on assets and liabilities. The expected return on scheme assets and interest cost on scheme liabilities are allocated across the appropriate incoming/outgoing resource categories in the Statement of Financial Activities. The change in value of assets and liabilities arising from asset valuation, changes in benefits, actuarial assumptions, or change in the level of deficit attributable to members is recognised within actuarial gains/losses in the Statement of Financial Activities. The resulting pension liability is shown on the Balance Sheet.

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

#### **Debtors**

Prepayments and other debtors are recognised at the settlement amount due to the Group at the end of the period less provision for any doubtful debts. Most debtor balances are amounts due from sections, arising from loans to sections or assessment income due but unpaid at the end of the period.

#### **Creditors**

Creditors are recognised when the Group has a present obligation arising from a past event that will result in the transfer of funds to a third party and the amount due can be estimated reliably.

The loans from sections are unsecured and interest bearing – see note 25 for further information.

#### **Financial instruments**

The Group 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 the present value of future cash flows (amortised cost). Financial assets held at amortised cost comprise cash at bank and in hand, short term cash deposits and the Group's debtors excluding prepayments. Financial liabilities held at amortised cost comprise the Group's short and long term creditors excluding deferred income and taxation payable. No discounting has been applied to these financial instruments on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial.

Investments, including bonds and cash held as part of the investment portfolio, are held at fair value at the Balance Sheet date, with gains and losses being recognised within the Statement of Financial Activities. Investments in subsidiary undertakings are held at cost less impairment.

## 4 Comparative Consolidated Statement of Financial Activities (Incorporating the Income and Expenditure Account) For the year ended 31 December 2018

	Unrestricted Funds	Restricted Funds	Total Funds
	2018	2018	2018
	£'000	£'000	£'000
<b>Income from</b>			
Donations and legacies	67,216	-	67,216
Charitable activities	4,055	3,037	7,092
Other trading activities	98	-	98
Investment income	132	-	132
<b>Total income</b>	<b>71,501</b>	<b>3,037</b>	<b>74,538</b>
<b>Expenditure on</b>			
Raising funds	4,674	-	4,674
Charitable activities	73,244	3,037	76,281
Restructuring costs	375	-	375
<b>Total expenditure</b>	<b>78,293</b>	<b>3,037</b>	<b>81,330</b>
<b>Net expenditure before investment losses</b>	<b>(6,792)</b>	<b>-</b>	<b>(6,792)</b>
Net losses on investments	(60)	-	(60)
<b>Net expenditure</b>	<b>(6,852)</b>	<b>-</b>	<b>(6,852)</b>
<b>Other recognised gains and losses</b>			
Actuarial losses	(2,312)	-	(2,312)
<b>Net movement in funds</b>	<b>(9,164)</b>	<b>-</b>	<b>(9,164)</b>
<b>Reconciliation of funds</b>			
Total funds brought forward	25,675	-	25,675
<b>Total funds carried forward</b>	<b>16,511</b>	<b>-</b>	<b>16,511</b>

## 5 Segmental analysis

The Directors are of the opinion that the Group has only one class of business namely securing throughout the world the observance of the provisions of the Universal Declaration of Human Rights by undertaking research and action focused on preventing and ending grave abuses of these rights.

Geographical segments	2019				2018			
	Europe £'000	Americas £'000	Rest of world £'000	Total £'000	Europe £'000	Americas £'000	Rest of world £'000	Total £'000
Donations and legacies	62,307	12,308	2,167	<b>76,782</b>	52,854	12,109	2,253	<b>67,216</b>

## 6 Donations and legacies

	Unrestricted Funds 2019 £'000	Restricted Funds 2019 £'000	Total Funds 2019 £'000	Total Funds 2018 £'000
Contributions from sections	66,933	-	66,933	65,801
Additional voluntary contributions from sections	6,148	263	6,411	916
Donations and legacies	3,361	77	3,438	499
<b>Total donations and legacies</b>	<b>76,442</b>	<b>340</b>	<b>76,782</b>	<b>67,216</b>

Contributions from sections are stated net of amounts written off or provided against during the year. In 2019, £128,000 of contributions due from section were written off whilst £442,000 of provisions from prior periods were released. In 2018 no amounts were written off or provided against income and £58,000 of provisions from prior periods were released.

As at 31 December 2019 the Group had a legacy pipeline of £318,000.

## 7 Charitable activities

	Unrestricted Funds 2019 £'000	Restricted Funds 2019 £'000	Total Funds 2019 £'000	Total Funds 2018 £'000
Grants	2,389	6,254	8,643	7,080
Other income	8	-	8	12
<b>Total charitable activities</b>	<b>2,397</b>	<b>6,254</b>	<b>8,651</b>	<b>7,092</b>

## 8 Investment income

	Unrestricted Funds 2019 £'000	Restricted Funds 2019 £'000	Total Funds 2019 £'000	Total Funds 2018 £'000
Interest income	131	-	131	132
<b>Total investment income</b>	<b>131</b>	<b>-</b>	<b>131</b>	<b>132</b>

## 9 Donated services

Donated services are included as income (with an equivalent amount in expenditure) at the estimated value to the Group where this is reasonably quantifiable, measurable and material. In 2019 this totalled £47,000 (2018: £109,000) and related to pro bono services provided by legal firms.

## 10 Expenditure

	Grants payable <i>Note 11</i>	Direct costs	Support costs <i>Note 12</i>	Total Funds	Total Funds
	2019	2019	2019	2019	2018
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure on raising funds</b>					
Grant fundraising	-	2,893	965	3,858	4,674
<b>Total expenditure on raising funds</b>	<b>-</b>	<b>2,893</b>	<b>965</b>	<b>3,858</b>	<b>4,674</b>
<b>Expenditure on charitable activities</b>					
Research and publications	167	30,680	10,238	41,085	41,794
Campaigning	10,409	12,575	4,196	27,180	28,168
Movement support and growth	2,727	866	290	3,883	6,319
<b>Total expenditure on charitable activities</b>	<b>13,303</b>	<b>44,121</b>	<b>14,724</b>	<b>72,148</b>	<b>76,281</b>
Restructuring costs	-	2,208	-	2,208	375
<b>Total expenditure</b>	<b>13,303</b>	<b>49,222</b>	<b>15,689</b>	<b>78,214</b>	<b>81,330</b>

AIL is liable for corporation tax on investment income received during the year. The Group pays all of this income to AIC, the charitable subsidiary of the Company, in the form of a donation under Gift Aid.

Restructuring costs were incurred in the year of £2,208,000 in relation to the cost saving measures implemented in the year as part of AIL's financial recovery plan. Restructuring costs in the prior year of £375,000 related to the reorganisation of the South East Asia, South Asia, Americas and Middle East and North Africa programmes of work as part of the Global Transition Programme.

## 11 Grants

The Group makes grants to certain Amnesty International sections (primarily in the global South) to support the sections' operations. These grants are considered to be part of the costs of activities in furtherance of the Group's objectives as such grants are used by recipients to undertake campaigning, research and publication activities. During the year the Group made grants to support section's operations totalling £10,409,000 (2018: £8,925,000).

The Group also makes grants to certain sections to support the sections' fundraising activities. These grants are considered to be part of the costs of activities in the furtherance of the Group's objectives as they support the growth of the Amnesty movement. During the year the Group made grants to support sections' fundraising activities totalling £2,727,000 (2018: £4,922,000).

The values of grants made to each section are individually immaterial in the context of the Group's total charitable expenditure. Details of individual grants are available from the Group's registered office.

The value of support costs allocated to grant making activities in 2019 is £625,000 (2018: £606,000).

At the Balance Sheet date, the Group had awarded and communicated but not yet fully paid grants to the value of £141,000 (2018: £210,000).

## 12 Support costs

	Grant fundraising	Research and publications	Campaigning	Movement support and growth	Total	Total
	2019	2019	2019	2019	2019	2018
	£'000	£'000	£'000	£'000	£'000	£'000
Salaries and employment benefits	362	3,837	1,572	108	5,879	6,229
Professional fees	125	1,330	545	38	2,038	1,949
Information technology costs	111	1,183	485	33	1,812	1,694
Insurance	87	924	379	26	1,416	1,425
Occupancy costs	86	914	375	26	1,401	1,538
Depreciation	79	841	344	24	1,288	1,263
Governance costs	36	377	154	11	578	671
Other costs	34	360	147	10	551	747
Foreign exchange (gains)/losses	23	240	99	7	369	419
Tax costs	12	128	53	4	197	1,830
Administration costs	8	81	33	2	124	246
Defined benefit pension scheme	2	23	10	1	36	783
	<b>965</b>	<b>10,238</b>	<b>4,196</b>	<b>290</b>	<b>15,689</b>	<b>18,794</b>

Support costs include premises, communication, information technology and other general running and management costs of the Group. The support costs are spread over the other categories in proportion to the direct costs incurred by each area. Governance costs consist of the costs of the operation of the Board along with its support staff and international committees, the Finance and Audit Committee and the Global Assembly.

## 13 Employees and Directors

Group employee costs (including Directors' emoluments) accounted for during the year amounted to:

	2019	2018
	£'000	£'000
Salaries	34,168	33,776
Redundancy costs	2,123	276
Social security costs	3,847	3,735
Employer pension contributions	3,312	3,240
Pension scheme interest (income)/cost	36	(2)
Guaranteed minimum pensions equalisation adjustment	-	785
Staff health, training and recruitment	1,926	2,223
	<b>45,412</b>	<b>44,033</b>

The average number of persons employed by the Group during the year was 648 (2018: 661).

	2019	2018
Fundraising	33	38
Research and regions	188	201
Campaigning and communications	270	263
Movement support and growth	28	29
Support	129	130
	<b>648</b>	<b>661</b>

The split of staff based in the UK and overseas is as follows:

	2019	2018
UK	350	369
Overseas	298	292
	<b>648</b>	<b>661</b>

### 13 Employees and Directors (continued)

The number of employees whose emoluments paid during the year were over £60,000, when including taxable benefits in kind and redundancy payments but excluding employer pension contributions and National Insurance contributions, is shown below. Numbers in brackets indicate how many of those employees received a redundancy payment. The cost of non-UK salaries when converted to pound sterling is affected by foreign currency exchange movements.

	UK 2019	Non UK 2019	Total 2019	UK 2018	Non UK 2018	Total 2018
60,000 – 69,999	38 (7)	55 (2)	93 (9)	36 (2)	36	72 (2)
70,000 – 79,999	22 (8)	22 (1)	44 (9)	12	33	45
80,000 – 89,999	6 (1)	16 (2)	22 (3)	8	9	17
90,000 – 99,999	1 (1)	8	9 (1)	-	5	5
100,000 – 109,999	1 (1)	14 (3)	15 (4)	2 (1)	5	7 (1)
110,000 – 119,999	5 (4)	3 (1)	8 (5)	3	1	4
120,000 – 129,999	-	2 (2)	2 (2)	1	2	3
130,000 – 139,999	-	1	1	1	1	2
140,000 – 149,999	1	1 (1)	2 (1)	-	-	-
170,000 – 179,999	-	1	1	-	-	-
	<b>74 (22)</b>	<b>123 (12)</b>	<b>197 (34)</b>	<b>63 (3)</b>	<b>92</b>	<b>155 (3)</b>

The above numbers include a number of long-serving staff who received redundancy payments in 2019 and 2018, as a result of the financial recovery plan initiated in 2019 and the final stages of the Global Transition Programme. Total redundancy payments across all employees were £1,497,941 in 2019 (2018: £379,812). The amount paid is less than the amount recognised in the Statement of Financial Activities (page 38) because some redundancy payments were accrued at 31 December 2019 where there was certainty that employees would be made redundant and payment was due to be made in early 2020. At 31 December 2019 the value of redundancy payments accrued was £837,298 (31 December 2018: £144,813). There was one redundancy payment over £100,000 paid during 2019 (2018: none over £100,000). Provisions for redundancy payments are recognised when the reorganisation of certain departments of AIL are formally announced to staff. Accruals for redundancy payments are recognised when there is certainty on the exact redundancy amounts to be paid to individual staff in the future.

The disclosures above include the salaries of the IS key management personnel. Their total remuneration at 31 December 2019 was £968,768 (2018: £1,261,450) when including employer pension contributions and social security. In addition, £40,017 (2018: £nil) of key management personnel time was donated to the organisation during the year. Key management personnel consisted of the Secretary General supported by the leadership team. In 2019 there were three leadership teams: the Senior Leadership Team (SLT) which had been in place from the start of the year to 8 May 2019; the Transition Leadership Team (TLT) which was in place from 9 May 2019 to 8 October 2019; and the Coalition Leadership Team (CLT) which has been in place since 9 October 2019. The SLT consisted of seven members who were all paid employees. The TLT consisted of ten members, of which three were paid employees working wholly on TLT duties, three were paid employees working partially on TLT duties, three were representatives of Amnesty International national entities whose remuneration was mostly incurred by the national entities, and one member was a volunteer later replaced by a paid contractor. The CLT consisted of six members of which three were paid employees, two members were representatives of Amnesty International national entities whose remuneration was mostly incurred by the national entities, and one member was a paid contractor. In calculating the total remuneration of key management personnel for the year, the remuneration of members of each leadership team has been pro-rated for the period of time the teams were in service. For members of the TLT who were employees working only partially on TLT duties, remuneration has been allocated based on estimated time worked on TLT duties. In 2018, key management personnel consisted of the Secretary General supported by the seven member SLT who were all paid employees.



### 13 Employees and Directors (continued)

There were two people in the post of Secretary General during the course of 2019 and the total remuneration paid in the year to both individuals when in post was £190,718 (2018: £235,097) when including employer pension contributions and social security. This comprises the remuneration paid to the acting Secretary General from 6 December 2019 to the end of the year and the remuneration paid to the principal Secretary General for the full year. The principal Secretary General received an annual salary of £145,000. The accrued pension cost as at 31 December 2019 for the principal Secretary General and acting Secretary General was £nil. The pension contribution is calculated at a standard 11% of annual salary. During the year no non-executive Director of the Company received compensation.

The total of the five highest salaries in 2019 was £730,363 (2018: £631,531) which included £109,767 of redundancy payments (no redundancy payments paid to the five highest earners in 2018). The total amounts include employees paid outside of the UK and not part of the leadership team. The ratio of the highest salary to the lowest is 5.6 (2018: 4.4). The lowest salary figure used for this calculation is the lowest full time employee paid in the UK. Using the salary of a paid intern position as the lowest salary increases the ratio to 8.9 (2018: 7.0). The ratio of the highest salary to the midpoint salary of the grade structure is 3.3 (2018: 2.6). The midpoint salary figure used for this calculation is the midpoint full time grade paid in the UK.

Volunteers typically commit to volunteer between two and three days a week for a minimum of three months. They help members of staff with a variety of aspects of their work and are involved in activities across the IS. These tasks include monitoring the international press, translating, undertaking research, designing web pages, raising funds and supporting legal, human resources and accounting activities. During 2019 AIL also had volunteer interns undertaking specific projects, generally volunteering their time for three to five days per week for a number of months. In line with the requirements of SORP FRS102, no value is brought into the financial statement for this volunteer time.

#### Transactions with Directors

Travel-related and training and development-related expenses of £87,629 were incurred in relation to fourteen Directors in 2019 (2018: £67,356 in relation to nine Directors). 2018 expenses have been restated to include board development costs which had not previously been disclosed. Other than the above expenditure, there were no transactions with Directors in the year and no Director has any loan amounts outstanding to the Group.

<b>Board member</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Vincent Adzahlie-Mensah	10,536	12,256
Rune Arctander	4,320	5,284
Maria De Lourdes Vianney Barrera Campos	4,937	-
Sarah Jane Beamish	9,244	7,518
Nicole Bieske	1,659	7,777
Peter Petelo Fa'afiu	6,126	-
Fabiola Gutierrez Arce	16,815	8,598
Shahram Hashemi	8,005	9,054
Greg Marsh	3,269	2,827
Mwikali Nzioka Muthiani	2,655	8,357
Nolasco Ritz Lee Iii Santos	5,838	-
Aniket Shah	4,591	-
Anjhula Mya Singh-Bais	3,780	-
Jacobus Smit	5,854	5,685
	<b>87,629</b>	<b>67,356</b>

## 14 Pension arrangements

The Group operates a pension scheme, the Amnesty International Superannuation Scheme (AISS, the Scheme). The Scheme comprises a defined contribution section and a defined benefit section. The Group also operates an International Savings Plan (ISP). This is a defined contribution saving scheme available for employees based in some overseas offices.

### *Defined contribution - AISS and ISP*

The Company contributes to the AISS defined contribution scheme at the standard rate of 8.0% (7.5% prior to April 2019) of pensionable salaries. The Company contributes to the ISP defined contribution schemes at the standard rate of 7.5% of pensionable salaries.

For both defined contribution schemes, employees may make contributions up to a maximum of 15% of their pensionable earnings at their own discretion, these additional contributions being matched by the Company to a maximum of an additional 3%.

The assets of the schemes are held separately from those of the Group. The Group's contributions in the year to the AISS scheme were £1,660,000 (2018: £1,776,000). The Group's contributions in the year to the ISP scheme were £820,000 (2018: £841,000).

### *Defined benefit - AISS*

#### **Description of the plan, valuation and funding arrangements**

AIL (the "Employer") sponsors the funded AISS Scheme. The disclosures below are in respect of the Defined Benefit Section of the Scheme. The pension provided under this section of the Scheme are in respect of benefits earned before 6 April 1997.

The last funding valuation of the Scheme was carried out by a qualified actuary as at 30 September 2017 and contributions of £849,000 are expected to be paid by the Employer to the Scheme during the year ending on 31 December 2020.

The results of the latest funding valuation at 30 September 2017 have been adjusted to the Balance Sheet date taking account of experience over the period since 30 September 2017, changes in market conditions and differences in the financial and demographic assumptions. The present value of the defined benefit obligation was measured using the Projected Unit Credit Method.

The major assumptions used by the actuary for the purposes of the valuation were:

	<b>2019</b>	<b>2018</b>
Pensions increasing in payment at CPI (max 3.0% pa)	1.80%	2.00%
Discount rate	2.00%	2.75%
Life expectancy	S2 tables projected by year of birth using CMI 2018 improvements and a 1% long term improvement rate	S2 tables projected by year of birth using CMI 2017 improvements and a 1% long term improvement rate

## 14 Pension arrangements (continued)

### Scheme asset allocation

For each major class of plan assets, the amount and percentage that each major class constitutes of the fair value of the total plan assets is presented below:

	2019		2018	
	£'000	%	£'000	%
Equities	12,067	34	8,937	30
Property	4,388	13	4,284	14
Bonds	7,770	22	7,110	24
Cash	2,234	6	1,894	6
Diversified Growth Fund	8,748	25	7,949	26
<b>Total</b>	<b>35,207</b>	<b>100</b>	<b>30,174</b>	<b>100</b>

None of the scheme assets are invested in financial instruments or in property related to the Employer.

### Reconciliation of funded status to Balance Sheet

The difference between the market (fair) value of the assets of the Scheme and the present value of accrued pension liabilities is shown as an asset or liability on the Balance Sheet.

	2019	2018
	£'000	£'000
Fair value of assets	35,207	30,174
Present value of funded defined benefit obligations	(35,558)	(32,293)
Funded status	(351)	(2,119)
Present value of unfunded defined benefit obligations	<b>(351)</b>	<b>(2,119)</b>

### Amounts recognised in the SOFA

The following elements are charged to the SOFA:

- the service cost of pension provision relating to the year, together with the cost of any benefits relating to past service (allocated to staff costs);
- the financing cost which is a gain/(charge) equal to the interest income on scheme assets less the interest payable on scheme liabilities;
- the actuarial gain or loss on the scheme's assets and liabilities (allocated to other recognised gains and losses).

The effect on the Consolidated Statement of Financial Activities for the year to 31 December 2019 was as follows:

	2019	2018
	£'000	£'000
Financing cost: interest (cost)/income on net defined benefit liability	(36)	2
Losses due to benefit changes	-	(785)
<b>Pension expense recognised in the income statement</b>	<b>(36)</b>	<b>(783)</b>
Asset gains/(losses) arising during the year	3,473	(3,329)
Liability (losses)/gains arising during the year	(3,285)	1,017
<b>Total amount recognised in other gains and losses</b>	<b>188</b>	<b>(2,312)</b>
<b>Total amount charged to the Statement of Financial Activities</b>	<b>152</b>	<b>(3,095)</b>

## 14 Pension arrangements (continued)

<b>Changes to the present value of the defined benefit obligation during the year</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Opening defined benefit obligation	(32,293)	(32,624)
Interest expense on defined benefit pension scheme	(876)	(788)
Actuarial (losses)/gains	(3,285)	1,017
Net benefits paid out	896	887
Losses due to benefit changes	-	(785)
Closing defined benefit obligation	<b>(35,558)</b>	<b>(32,293)</b>

<b>Changes in the fair value of the scheme assets during the year</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Opening fair value of scheme assets	30,174	32,061
Interest income	840	790
Gains/(losses) on scheme assets	3,473	(3,329)
Contributions by the employer	1,616	1,539
Net benefits paid out	(896)	(887)
Fair value of scheme assets at the year end	<b>35,207</b>	<b>30,174</b>

<b>Actual return on the scheme assets during the year</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Interest income on scheme assets	840	790
Gain on scheme assets	3,473	(3,329)
Actual return on scheme assets	<b>4,313</b>	<b>(2,539)</b>

## 15 Interest payable and similar charges

Group interest payable and similar charges:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
On loans from sections	47	87
On pension finance costs	36	(2)
	<b>83</b>	<b>85</b>

## 16 Net income and expenditure

The Group's net income and expenditure is arrived at after charging:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Depreciation of tangible fixed assets	1,391	1,398
Net (gains)/losses on investment	(2,149)	60

### Auditor's remuneration

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Fees payable to the Group's auditors for the audit of the Group's statutory accounts for the period	53	51
Fees payable to the Group's auditors for the audit of AIC for the period	3	3
<b>Total audit fees payable to the Group's auditor</b>	<b>56</b>	<b>54</b>
<b>Tax related services from the Group's auditor</b>	<b>5</b>	<b>9</b>

## 17 Tangible fixed assets

Movements on the fixed assets during the year were:

Group	Freehold and leasehold land and buildings £'000	Office furniture and equipment £'000	Computer equipment £'000	Total £'000
<b>Cost</b>				
At beginning of year	13,369	11,081	6,458	30,908
Currency revaluation	-	(10)	(1)	(11)
Additions	-	208	91	299
Disposals	-	(131)	(105)	(236)
Disposal of subsidiary	-	(33)	(35)	(68)
<b>At 31 December 2019</b>	<b>13,369</b>	<b>11,115</b>	<b>6,408</b>	<b>30,892</b>
<b>Depreciation</b>				
At beginning of year	(4,710)	(6,112)	(5,372)	(16,194)
Currency revaluation	-	(7)	1	(6)
Charge for the year	(235)	(640)	(516)	(1,391)
Disposals	-	135	91	226
Disposal of subsidiary	-	4	-	4
<b>At 31 December 2019</b>	<b>(4,945)</b>	<b>(6,620)</b>	<b>(5,796)</b>	<b>(17,361)</b>
<b>Net book value</b>				
At beginning of year	8,659	4,969	1,086	14,714
<b>At 31 December 2019</b>	<b>8,424</b>	<b>4,495</b>	<b>612</b>	<b>13,531</b>

Company	Freehold and leasehold land and buildings £'000	Office furniture and equipment £'000	Computer equipment £'000	Total £'000
<b>Cost</b>				
At beginning of year	13,001	10,677	6,077	29,755
Additions	-	136	82	218
Disposals	-	-	(50)	(50)
Transfers to subsidiaries	-	162	21	183
<b>At 31 December 2019</b>	<b>13,001</b>	<b>10,975</b>	<b>6,130</b>	<b>30,106</b>
<b>Depreciation</b>				
At beginning of year	(4,574)	(6,048)	(5,195)	(15,817)
Charge for the year	(235)	(613)	(439)	(1,287)
Disposals	-	-	41	41
Transfers to subsidiaries	-	(47)	(22)	(69)
<b>At 31 December 2019</b>	<b>(4,809)</b>	<b>(6,708)</b>	<b>(5,615)</b>	<b>(17,132)</b>
<b>Net book value</b>				
At beginning of year	8,427	4,629	882	13,938
<b>At 31 December 2019</b>	<b>8,192</b>	<b>4,267</b>	<b>515</b>	<b>12,974</b>

## 17 Tangible fixed assets (continued)

### Fixed asset investments

Group	Freehold land and buildings £'000	Associates £'000	Other investments £'000	Total £'000
<b>Cost</b>				
At beginning of year	1,463	-	14	1,477
Acquisition of associate	-	32	-	32
Loss on foreign exchange	(41)	-	(2)	(43)
<b>At 31 December 2019</b>	<b>1,422</b>	<b>32</b>	<b>12</b>	<b>1,466</b>
<b>Net book value</b>				
At beginning of year	1,463	-	14	1,477
<b>At 31 December 2019</b>	<b>1,422</b>	<b>32</b>	<b>12</b>	<b>1,466</b>

In 2015 the Group transferred a building owned by the Hong Kong subsidiary to investments. The building is currently owned by the Hong Kong subsidiary and will be sold to Amnesty International Hong Kong in 2028. The building was sold on a sale and leaseback basis. At 31 December 2019 the building investment was held at a value of £1,422,000 (31 December 2018: £1,463,000).

## 18 Investments in subsidiaries and associates

The Company's investments in subsidiaries and associates are:

Name of entity	Classification	Percentage ownership	2019 £'000	2018 £'000
<b>Centro de Lenguas de Amnistia Internacional (CLAI)</b>	Subsidiary	100%	19	19
<b>Amnesty International Asia-Pacific Regional Office Limited (AIAPROL)</b>	Subsidiary	100%	1	1
<b>Amnesty International – European Association (EIO)</b>	Subsidiary	100%	386	386
<b>Centre for the Protection of Human Rights and Social Justice of Amnesty Intl Nigeria (AI Nigeria)</b>	Associate (2019) Subsidiary (2018)	40% (2019) 100% (2018)	41	102
			<b>447</b>	<b>508</b>

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

**Centro de Lenguas de Amnistia Internacional (CLAI)**, a company incorporated in Spain (Company number B-78346178), was formed in 1986 for the purpose of translating Amnesty International publications into Spanish and printing, publishing and distributing translated works and other publications within Spanish speaking countries. (Registered office: Editorial Amnistía Internacional, S. L. EDAI Valderribas, 13. 28007 Madrid. España.) Previously called Editorial Amnistía Internacional, S.L. sociedad unipersonal (EDAI).

**Amnesty International Charity (AIC)** is a registered charity (previously called Amnesty International Charity Limited until it changed its name on 15 July 2020). It was incorporated in 1986 (Company number 2007475, Charity number 294230) to undertake certain aspects of the work of AIL which are charitable under the law of England and Wales. While there is no investment in the Charity, the Charity is a wholly owned subsidiary and consolidated in these statements. (Registered office: 1 Easton Street, London WC1X 0DW.)

## **18 Investments in subsidiaries (continued)**

**Amnesty International Asia-Pacific Regional Office Limited** (AIAPROL), a company incorporated in Hong Kong (Company number 269160), was formed in 1990 for the purpose of organising the local copying and distribution of Amnesty International publications. It also serves as a base for research and development activities. (Registered office: 16th Floor, Siu On Centre, 188 Lockhart Road, Wanchai, Hong Kong.)

**Oficina Regional de Amnistía Internacional**, (Mexico) was registered in May 2014 as a Mexican association (Company number 122949) for the purpose of co-ordinating AIL's operations in Latin America. Its members and board are controlled by AIL and hence whilst there is no investment it is treated as a subsidiary. (Registered office: Calle Luz Saviñon 519 Colonia del Valle, Benito Juarez 03100 Ciudad de Mexico.)

**Centre de Resources Linguistiques d'Amnesty International – Unité Chargé de la Langue Française** (AILRC-FR) or EFAI, an association registered in France, was formed for the purpose of translating Amnesty International publications into French and printing, publishing and distributing translated works and other publications within French speaking countries. While there is no investment in AILRC-FR, the association is effectively controlled by AIL and is treated as a subsidiary (Company number 379617020. Registered office: 47 Rue de Paradis, 75010 Paris, France.)

**Amnesty International – European Association** (EIO), a Belgian international not for profit association coordinates and promotes lobbying, advocacy and campaigning directed at decision-makers in the European Union (EU) and Council of Europe (CoE). In September 2015, the IS assumed legal control by virtue of both AIL and one of AIL's key management personnel becoming the sole two members. Whilst there is no investment in the European Association, the association is effectively controlled by AIL and is treated as a subsidiary (Company number 1447121696. Registered office: Avenue de Cortenberg/Kortenberghaan 71 1000 Brussels, Belgium.)

**Amnesty International South Asia** (Colombo) was registered in May 2017 with the Sri Lankan Companies Registrar as a Sri Lankan company (Company number 3333) for the purpose of co-ordinating AIL's operations in South Asia. Its members and board are controlled by AIL and hence whilst there is no investment it is treated as a subsidiary. (Registered office: De Saram (law firm), No.47, C.W. Kannagara Mawatha, Colombo 7, Sri Lanka.)

**Amnesty International Afrique du Nord** (Tunis) was registered in February 2016 as a Tunisian association (Company number 2016401419APSF1) for the purpose of co-ordinating AIL's operations in North Africa. Its members and board are controlled by AIL and hence whilst there is no investment it is treated as a subsidiary. (Registered office: Epi Center, Tour C, 1st floor, Rue de Syrie 1000 Tunis.)

**Amnesty International Limited Sucursal Peru** (Lima) was registered in November 2015 as a Social Corporation (RUC number 20600776917) for the purpose of co-ordinating AIL's operations in South America. Its members and board are controlled by AIL and hence whilst there is no investment it is treated as a subsidiary. (Registered office: Calle Manuel A Fuentes 894 San Isidro, Lima – Perú.)

### **Disposal of subsidiary and acquisition of associate**

Since 2016, the **Centre for the Protection of Human Rights and Social Justice of Amnesty Intl Nigeria** – (AI Nigeria), an 'incorporated trustees' entity based in Nigeria has been consolidated into AIL's accounts using the acquisition method of accounting. This was due to the IS having management control, with the Board of Trustees consisting of two senior IS staff members and one local trustee. On 17th July 2019 the composition of the Board of Trustees changed to be three local trustees and two senior IS staff members. As a consequence the IS is no longer considered to have management control and on 17th July 2019 the AIL Group recorded a disposal of the subsidiary and the acquisition of a 40% associate (on the basis of two out of five board members being senior IS staff members). At the same time AIL Company recorded a 60% disposal of its investment in AI Nigeria.

## 18 Investments in subsidiaries (continued)

AI Nigeria	Group £'000	Company £'000
<i>Net assets disposed of:</i>		
Tangible assets	64	-
Investments in subsidiary	-	102
Other debtors	2	-
Prepayments and accrued income	29	-
Cash at bank and in hand	113	-
Deferred income	(74)	-
Taxation & social security	(6)	-
Other creditors	(41)	-
Accruals	(6)	-
	<b>81</b>	<b>102</b>
<i>Investment in associate (40%) recognised</i>		
	<b>32</b>	<b>41</b>

A summary of each subsidiary's incoming and outgoing resources and assets and liabilities is presented below:

	Income	Expenditure	Other recognised gains/(losses)	Net income/ (expenditure)
	2019	2019	2019	2019
	£'000	£'000	£'000	£'000
CLAI	869	(876)	(22)	(29)
AIAPROL	3,136	(3,159)	(19)	(42)
EFAI	1,251	(1,268)	(1)	(18)
Mexico	2,997	(2,755)	(3)	239
EIO	1,789	(2,000)	(41)	(252)
AIC	2,945	(1,373)	-	1,572
Colombo	1,689	(1,643)	(7)	39
Tunis	984	(1,007)	2	(21)
Lima	-	(853)	18	(835)
	<b>15,660</b>	<b>(14,934)</b>	<b>(73)</b>	<b>653</b>

	Income	Expenditure	Other recognised gains/(losses)	Net income/ (expenditure)
	2018	2018	2018	2018
	£'000	£'000	£'000	£'000
CLAI	859	(858)	1	2
AIAPROL	2,915	(2,870)	36	81
EFAI	1,300	(1,333)	(1)	(34)
Mexico	2,866	(3,020)	(1)	(155)
EIO	2,038	(1,964)	35	109
AIC	771	(981)	-	(210)
AI Nigeria	657	(533)	46	170
Colombo	948	(686)	(18)	244
Tunis	997	(1,065)	(20)	(88)
Lima	-	(825)	19	(806)
	<b>13,351</b>	<b>(14,135)</b>	<b>97</b>	<b>(687)</b>



## 18 Investments in subsidiaries (continued)

	Total assets 2019 £'000	Total liabilities 2019 £'000	Total Funds 2019 £'000
CLAI	504	(76)	428
AIAPROL	1,962	(1,325)	637
EFAI	215	(211)	4
Mexico	240	(134)	106
EIO	867	(241)	626
AIC	1,859	(106)	1,753
Colombo	413	(121)	292
Tunis	250	(142)	108
Lima	103	(35)	68
	<b>6,413</b>	<b>(2,391)</b>	<b>4,022</b>

	Total assets 2018 £'000	Total liabilities 2018 £'000	Total Funds 2018 £'000
CLAI	532	(75)	457
AIAPROL	1,903	(1,224)	679
EFAI	266	(244)	22
Mexico	358	(492)	(134)
EIO	1,154	(276)	878
AIC	183	(3)	180
AI Nigeria	437	-	437
Colombo	299	(46)	253
Tunis	195	(66)	129
Lima	135	(47)	88
	<b>5,462</b>	<b>(2,473)</b>	<b>2,989</b>

Each subsidiary's intercompany income and expenditure is presented below:

	Income from AIL 2019 £'000	Expenditure to AIL 2019 £'000	Net intercompany 2019 £'000
CLAI	859	-	859
AIAPROL	3,136	-	3,136
EFAI	1,251	-	1,251
Mexico	2,997	-	2,997
EIO	591	-	591
AIC	96	(1,195)	(1,099)
Colombo	1,689	-	1,689
Tunis	984	-	984
Lima	-	-	-
	<b>11,603</b>	<b>(1,195)</b>	<b>10,408</b>

## 18 Investments in subsidiaries (continued)

	Income from ALL 2018 £'000	Expenditure to ALL 2018 £'000	Net intercompany 2018 £'000
CLAI	844	-	844
AIAPROL	2,915	-	2,915
EFAI	1,298	-	1,298
Mexico	2,866	-	2,866
EIO	108	-	108
AIC	394	(852)	(458)
AI Nigeria	629	-	629
Colombo	948	-	948
Tunis	997	-	997
Lima	-	-	-
	<b>10,999</b>	<b>(852)</b>	<b>10,147</b>

AIC held an intercompany liability of £103,000 due to ALL as at 31 December 2019 (2018: £nil). Intercompany assets and liabilities were £nil for all other subsidiaries (2018: £nil for all subsidiaries).

## 19 Other investments

A participating interest of £1,000 (2018: £1,000) is held in the International Civil Society Centre (previously the Berlin Civil Society Centre), an organisation set up to provide advisory and support services from Germany for International Civil Society Organisations. It is not an associate of ALL, the Company having no involvement in the strategic operating and financial policies of the organisation with all transactions being on a commercial basis.

## 20 Debtors

Amounts shown as debtors falling due after one year comprise:

	Group		Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Amounts due from sections	120	20	120	-
	<b>120</b>	<b>20</b>	<b>120</b>	<b>-</b>

Amounts shown as debtors falling due within one year comprise:

	Group		Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Amounts due from sections	7,269	7,279	7,243	7,034
Amounts owed by group undertakings	-	-	103	-
Other debtors	1,428	1,814	1,258	1,292
Prepayments and accrued income	1,611	3,080	1,562	2,973
Forward contract asset	1,536	-	1,536	-
	<b>11,844</b>	<b>12,173</b>	<b>11,702</b>	<b>11,299</b>

## 20 Debtors (continued)

Amounts due from sections are stated net of provisions for bad debt of £3,863,000 at 31 December 2019 (31 December 2018: £5,568,000).

Amounts due from sections include loans to sections, mainly for investment in fundraising, and the loans are considered concessionary loans. Some loans are interest bearing, with rates either being fixed or based on UK LIBOR or EURIBOR, and all have individual repayment schedules starting from within the next financial year to 2027.

There is an agreement in place with AI New Zealand to write off their loan in 2020 if certain performance criteria are met. This loan has been fully provided for and no longer bears interest.

The table below has further details of the interest bearing loans:

Counterparty	2019 Rate £'000	Repayment year
AI Canada (French Speaking)	86 LIBOR 12m + 1% or 2.5% (whichever is higher)	2021 onward
AI Greece	315 0%	2021 onward
AI Ireland	1,363 EURIBOR + 1.25%	2027
AI Israel	220 LIBOR 12m + 1.25%	2021 onward
AI Mexico	201 LIBOR 12m + 1% or 2.5% (whichever is higher)	2021 onward
AI New Zealand	506 0%	2020
AI Poland	354 LIBOR 12m + 1.25%	2021
AI Taiwan	406 LIBOR 12m + 1% or 2.5% (whichever is higher)	2021 onward
AI Turkey	23 2%	2020

## 21 Short term investments

The Group held short term investments, which relate to short term money market deposits, of £1,592,000 at 31 December 2019 (31 December 2018: £91,000).

## 22 Cash at bank and in hand

The Group's cash at bank and in hand was £11,911,000 (31 December 2018: £11,741,000).

## 23 Creditors: amounts falling due within one year

Amounts shown as creditors falling due within one year comprise:

	Group		Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Bank loans	56	58	-	-
Loans from sections	1,970	713	1,970	713
Amounts due to sections	1,291	2,991	1,291	2,991
Trade creditors	682	1,528	620	1,366
Deferred income	45	1,672	45	1,404
Taxation and social security	579	418	293	136
Other creditors	1,933	2,413	479	1,041
Accruals	2,257	1,750	2,036	1,638
Grant accruals	141	210	141	210
Forward contract liability	-	422	-	422
	<b>8,954</b>	<b>12,175</b>	<b>6,875</b>	<b>9,921</b>

## 23 Creditors: amounts falling due within one year (continued)

Loans from sections and amounts due to sections are classed as concessionary loans. Other than those stated as falling due in more than one year, no interest is due on concessionary loans. See note 25 for further information.

### Movement in deferred income

	Opening balance	Added in year	Released to income	Closing balance
	£'000	£'000	£'000	£'000
Deferred income	1,672	-	(1,627)	45

Deferred income of £45,000 relates to contributions received from sections carrying a requirement that related expenditure takes place in future years.

Grant accruals comprise grants in respect of 2019 planned activity, which were communicated to recipients in 2019 but paid in 2020.

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

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

	Group		Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Loans from sections	1,574	5,803	1,574	5,803
Other creditors	6	7	-	-
	<b>1,580</b>	<b>5,810</b>	<b>1,574</b>	<b>5,803</b>

## 25 Loans from sections

The loans from sections are unsecured and interest bearing. Loans from sections comprise:

Counterparty	2019 £'000	Rate	Repayment year
AI Belgium (French Speaking)	851	EURIBOR + 1.25%	2020
AI Netherlands	1,445	0%	2022
AI Portugal	128	EURIBOR + 1.25%	2021
AI Sweden	179	Higher of LIBOR + 1% and 2.5%	2020
AI Switzerland	784	2%	2020
AI Switzerland	157	0%	2022

## 26 Provisions

Group	At 1 January	Charged/(released)	Utilised	At 31 December
	2019	to the Statement of Financial Activities		2019
Tax liability	1,393	178	-	1,571
Legal claims	797	(8)	-	789
Holiday pay	1,078	(156)	(100)	822
Restructuring	333	(93)	(209)	31
	<b>3,601</b>	<b>(79)</b>	<b>(309)</b>	<b>3,213</b>

Company	At 1 January	Charged/(released)	Utilised	At 31 December
	2019	to the Statement of Financial Activities		2019
Tax liability	1,393	178	-	1,571
Legal claims	797	(8)	-	789
Holiday pay	866	(147)	(100)	619
Restructuring	333	(93)	(209)	31
	<b>3,389</b>	<b>(70)</b>	<b>(309)</b>	<b>3,010</b>

The tax liability provision relates to underpaid tax from prior periods, expected to be paid in full in the next twelve months. The provision for legal claims relates to ongoing litigation cases. The holiday pay provision relates to employees' untaken annual leave that is payable when employees end their employment with AIL. The restructuring provision relates to employee severance costs, which are recognised when the reorganisation of certain departments of AIL are formally announced by the Group. It is expected that the majority of this expenditure will be paid in the next twelve months.

## 27 Share capital and funds

Group	Unrestricted	Restricted	Total
	funds	funds	
	£'000	£'000	£'000
Fund balances at 31 December 2019 are represented by:			
Fixed assets	14,997	-	14,997
Current assets	23,256	2,211	25,467
Current and long term liabilities and provisions	(13,747)	-	(13,747)
Pension liability	(351)	-	(351)
<b>Total net assets at 31 December 2019</b>	<b>24,155</b>	<b>2,211</b>	<b>26,366</b>

Group	Unrestricted	Restricted	Total
	funds	funds	
	£'000	£'000	£'000
Fund balances at 31 December 2018 are represented by:			
Fixed assets	16,224	-	16,224
Current assets	22,320	1,672	23,992
Current and long term liabilities and provisions	(19,914)	(1,672)	(21,586)
Pension liability	(2,119)	-	(2,119)
<b>Total net assets at 31 December 2018</b>	<b>16,511</b>	<b>-</b>	<b>16,511</b>

## 27 Share capital and funds (continued)

### Group restricted funds

The restricted funds are funds given for specific purposes. The movements on the restricted funds during the year were as follows:

	1 January 2019 £'000	Income £'000	Expenditure £'000	31 December 2019 £'000
11th Hour / Greenpeace	-	56	(12)	44
Amnesty International Denmark	-	27	(18)	9
Amnesty International sections (FIF)	-	262	(262)	-
DFID	-	33	(33)	-
Duke University	-	43	(27)	16
Dutch Postcode Lottery	-	892	(855)	37
Ford Foundation - Albinism	-	59	(11)	48
Ford Foundation - Tech Empowerment	-	108	(104)	4
Freedom Fund	-	46	(10)	36
Humanity United	-	156	(60)	96
Swedish Postcode Lottery	-	233	(233)	-
Swiss Donors (Be There)	-	838	(808)	30
UK & Ireland Donors (Be There)	-	254	(122)	132
US Donors (Be There)	-	47	(47)	-
Anonymous (Be There)	-	163	(39)	124
Various Donors (People's Summit)	-	358	(215)	143
Anonymous	-	2,170	(991)	1,179
Anonymous	-	772	(459)	313
Anonymous	-	77	(77)	-
<b>Total</b>	<b>-</b>	<b>6,594</b>	<b>(4,383)</b>	<b>2,211</b>

### 11th Hour / Greenpeace

The 11th Hour grant is restricted to a business and human rights project in partnership with Greenpeace USA.

### Amnesty International Denmark

This donation was restricted to research and capacity building connected to Venezuela.

### Amnesty International sections (FIF)

Some additional voluntary contributions received from Amnesty International sections were restricted to be spent on Fundraising and Investment Fund ("FIF") grants.

### DFID

The DFID grant is restricted to human rights education work coordinated by Amnesty International's West and Central Africa regional office on ending female genital mutilation and early and forced marriage.

### Duke University

The Duke University funding is restricted to research work in the European Regional Office.

### Dutch Postcode Lottery

The Dutch Postcode Lottery funding is restricted to crisis response activities and to work to prevent and expose cyber-attacks against human rights defenders.

### Ford Foundation - Albinism

The Ford Foundation grant is restricted to Amnesty International's Southern Africa Regional Office's program to end violence against persons with Albinism in Southern Africa.

## 27 Share capital and funds (continued)

### Ford Foundation - Tech Empowerment

The Ford Foundation grant related to a project on tech empowerment.

### Freedom Fund

The Freedom Fund grant is restricted to work on corporate crimes.

### Humanity United

The Humanity United grant is restricted to achieving labour rights reform and investigating labour abuses in Qatar.

### Swedish Postcode Lottery

This grant is restricted to funding work with young territory, land, and environmental defenders in Brazil, Guatemala and Honduras.

### Swiss, UK & Ireland, US and Anonymous Donors (Be There)

These donations were restricted to Amnesty International's Be There programme (Crisis Response and Refugee & Migrant Rights work).

### Various Donors - People's Summit

To support a civil society summit on human rights and climate change.

### Anonymous

These donations are from donors who wished to remain anonymous. The donations related to work on a number of human rights issues, including ending impunity for human rights violations in Africa, on the criminalisation of sexuality and reproduction, investigating corporate crimes and the rights of refugees and migrant workers.

The movements on restricted funds during the prior year were as follows:

	1 January 2018 £'000	Income £'000	Expenditure £'000	31 December 2018 £'000
American Academy of Forensic Science	-	5	(5)	-
DFID	-	48	(48)	-
Dutch Postcode Lottery	-	353	(353)	-
Ford Foundation - Tech Empowerment	-	36	(36)	-
Norwegian Postcode Lottery	-	35	(35)	-
Swedish Postcode Lottery	-	275	(275)	-
Swiss Donors	-	1,785	(1,785)	-
Anonymous	-	282	(282)	-
Anonymous	-	218	(218)	-
<b>Total</b>	<b>-</b>	<b>3,037</b>	<b>(3,037)</b>	<b>-</b>

### American Academy of Forensic Science

This funding was provided for the Amnesty crisis response team to conduct a number of forensic training sessions.

### DFID

The DFID grant is restricted to human rights education work coordinated by Amnesty International's West and Central Africa regional office on ending female genital mutilation and early and forced marriage.

## 27 Share capital and funds (continued)

### Dutch Postcode Lottery

The Dutch Postcode Lottery funding is restricted to crisis response activities and to work to prevent and expose cyber-attacks against human rights defenders.

### Ford Foundation - Tech Empowerment

The Ford Foundation grant related to a project on tech empowerment.

### Norwegian Postcode Lottery

This grant is restricted to funding human rights education in the Beirut regional office.

### Swedish Postcode Lottery

There are three Swedish Postcode Lottery grants: one restricted to Amnesty International's 'Alt Click: a New Generation of Human Rights Activists' project (which ended in 2017), one restricted to a project on people at risk of torture in Nigeria; and one grant restricted to defending human rights defenders in Latin America.

### Swiss Donors

These donations were restricted to Amnesty International's crisis response and refugee & migrant rights work.

### Anonymous

These donations are from donors who wished to remain anonymous. The donations were restricted to work on a number of human rights issues: ending impunity for human rights violations in Africa, on the criminalisation of sexuality and reproduction, investigating corporate crimes, the use of drones in military warfare, and the rights of refugees and migrant workers.

### Unrestricted funds

The movements on unrestricted funds during the year were as follows:

Unrestricted funds	1 January 2019 £'000	Income £'000	Expenditure £'000	Other gains and losses £'000	Transfers £'000	31 December 2019 £'000
Designated Fund - fixed assets	14,714	-	(1,465)	(17)	299	13,531
Pension fund	(2,119)	-	(36)	188	1,616	(351)
Unrestricted fund	3,916	79,138	(72,330)	2,166	(1,915)	10,975
	<b>16,511</b>	<b>79,138</b>	<b>(73,831)</b>	<b>2,337</b>	<b>-</b>	<b>24,155</b>

The movements on unrestricted funds during the prior year were as follows:

Unrestricted funds	1 January 2018 £'000	Income £'000	Expenditure £'000	Other gains and losses £'000	Transfers £'000	31 December 2018 £'000
Designated Funds - fixed assets	14,790	-	(1,403)	7	1,320	14,714
Designated Fund - London Office and Fundraising	1,913	-	(1,913)	-	-	-
Designated Funds - Global Transition Project	1,050	-	(736)	-	(314)	-
Pension fund	(563)	-	(783)	(2,312)	1,539	(2,119)
Unrestricted fund	8,485	71,501	(73,458)	(67)	(2,545)	3,916
	<b>25,675</b>	<b>71,501</b>	<b>(78,293)</b>	<b>(2,372)</b>	<b>-</b>	<b>16,511</b>

### London Office and Fundraising

The profit on disposal from the sale of AIL's properties at 25 and 28 Easton Street in 2015 was ring-fenced as a designated fund. This was used for the refurbishment of the remaining London property at a cost of £4.3m, and to provide grants to Amnesty sections aimed at increased fundraising income. The fund was fully spent by the end of 2018.



## 27 Share capital and funds (continued)

### Global Transition Project

These funds were earmarked to cover the Moving Closer to the Ground strategy involving a fundamental restructure, along with subsequent costs of relocation to new regional offices and the related project management costs. This project completed in 2018 and remaining funds of £314,000 were transferred to unrestricted funds.

### Fixed assets

The value of the fixed assets includes the value of the offices and equipment and as such have been designated as the sale of these would negatively impact the Group's operations.

## 28 Operating leases

At 31 December 2019 the Group's future minimum lease payments under non-cancellable operating leases were as follows:

	2019	2018
Group	£'000	£'000
Less than one year	469	577
Within one to five years	241	398
	<u>710</u>	<u>975</u>

Total payments on rental leases recognised as expenditure in the year were £1,113,000 (2018: £1,126,000). Total payments on plant and machinery leases recognised as expenditure were £12,000 (2018: £46,000).

## 29 Financial instruments

AIL 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 the present value of future cash flows (amortised cost). Financial assets held at amortised cost comprise cash at bank and in hand, short term cash deposits and the Group's debtors excluding prepayments. Financial liabilities held at amortised cost comprise the Group's short and long term creditors excluding deferred income and taxation payable. No discounting has been applied to these financial instruments on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial.

Investments, including bonds and cash held as part of the investment portfolio, are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

Below is a table summarising the carrying amount of all financial assets and liabilities at the year end.

### Financial assets and liabilities

	2019	2018
	£'000	£'000
Financial assets measured at amortised cost	22,876	22,759
Financial liabilities measured at amortised cost	(9,909)	(15,473)
Financial assets measured at fair value through the Statement of Financial Activities	3,001	1,477
Financial liabilities measured at fair value through the Statement of Financial Activities	-	(422)
<b>Carrying amount of financial assets/liabilities</b>	<u><b>15,968</b></u>	<u><b>8,341</b></u>

## 29 Financial instruments (continued)

### Income, expense, net gains and losses for financial assets/liabilities measured at fair value

	2019 £'000	2018 £'000
Net (gains)/losses on forward contracts financial assets/liabilities	(2,234)	157
	<b>(2,234)</b>	<b>157</b>

### Interest income and expense for financial assets/liabilities measured at amortised cost

	2019 £'000	2018 £'000
Interest income for financial assets	65	68
Interest income/(expense) for financial liabilities	18	(24)
	<b>83</b>	<b>44</b>

### Forward contracts

Included within debtors in the current year, these contracts have a net asset value of £1,536,000 (2018: liability value of £422,000) as spot rates are expected to be higher than the contracted forward rate when the contracts mature in 2020.

The fair value of the net asset is reached by applying quoted forward contract rates at the relevant Balance Sheet dates resulting in a recognised gain of £2,234,000 in the Statement of Financial Activities (2018: recognised loss £157,000).

At 31 December 2019, Amnesty International is committed to selling the following currencies under forward rate contracts held with bankers and other financial institutions:

2019 Contracts (GBP)			
EUR	7,700,000	Open Forward	28-Aug-20
EUR	3,500,000	Open Forward	30-Nov-20
EUR	5,200,000	Open Forward	31-Dec-20
CHF	2,200,000	Open Forward	31-Dec-20
DKK	9,200,000	Open Forward	31-Dec-20
CAD	2,200,000	Open Forward	31-Dec-20
NOK	11,800,000	Open Forward	31-Dec-20
SEK	21,700,000	Open Forward	31-Dec-20

2019 Contracts (USD)			
EUR	2,000,000	Open Forward	30-May-20
EUR	2,000,000	Open Forward	30-Aug-20

At 31 December 2019, Amnesty International is committed to buying the following currencies under forward rate contracts held with bankers and other financial institutions:

2019 Contracts (GBP)			
ZAR	1,233,000	Fixed Forward	25-Feb-20
ZAR	2,466,000	Fixed Forward	25-Mar-20
ZAR	2,466,000	Fixed Forward	25-Jun-20
ZAR	2,466,000	Fixed Forward	24-Sep-20
MXN	1,583,000	Fixed Forward	25-Feb-20
MXN	3,167,000	Fixed Forward	24-Apr-20
MXN	3,167,000	Fixed Forward	24-Aug-20
THB	2,946,000	Fixed Forward	25-Feb-20
THB	5,891,000	Fixed Forward	24-Apr-20
THB	5,891,000	Fixed Forward	24-Aug-20

## 29 Financial instruments (continued)

2019 Contracts (GBP) (continued)			
GHS	315,000	Fixed Forward	25-Feb-20
GHS	630,000	Fixed Forward	24-Apr-20
GHS	630,000	Fixed Forward	24-Aug-20
ILS	407,000	Fixed Forward	25-Feb-20
ILS	815,000	Fixed Forward	24-Apr-20
ILS	815,000	Fixed Forward	24-Aug-20
MAD	599,000	Fixed Forward	25-Feb-20
MAD	1,197,000	Fixed Forward	24-Apr-20
MAD	1,197,000	Fixed Forward	24-Aug-20

At 31 December 2018, Amnesty International was committed to selling the following currencies under forward rate contracts held with bankers and other financial institutions:

2018 Contracts (GBP)			
Currency	Contract value	Contract type	Maturity
EUR	1,450,000	Open Forward	28-Feb-19
EUR	2,000,000	Open Forward	28-Feb-19
EUR	2,000,000	Open Forward	31-May-19
EUR	2,600,000	Open Forward	28-Jun-19
EUR	1,800,000	Open Forward	30-Sep-19
EUR	3,500,000	Open Forward	31-Dec-19
EUR	2,800,000	Open Forward	31-Mar-20
SEK	5,300,000	Open Forward	28-Jun-19
SEK	4,800,000	Open Forward	30-Sep-19
SEK	2,900,000	Open Forward	31-Dec-19
SEK	1,300,000	Open Forward	31-Mar-20
DKK	2,600,000	Open Forward	28-Jun-19
DKK	1,600,000	Open Forward	30-Sep-19
DKK	1,000,000	Open Forward	31-Dec-19
DKK	700,000	Open Forward	31-Mar-20

At 31 December 2018, Amnesty International was not committed to buying any currencies under forward rate contracts.

## 30 Related party transactions

Other than transactions with subsidiaries that are detailed in note 18, there have been no other related party transactions during the year (2018: none other than those detailed in note 18).

## 31 Events after the Balance Sheet date

Since the year end the Covid-19 pandemic has taken hold globally. The pandemic has not had a significant immediate impact on the organisation's operations, although longer term impacts to the company's financial performance are considered probable as set out in the going concern assessment in the accounting policies. The Directors and management team are actively managing the impact and there have been no material changes in activity since the balance sheet date.

## 32 Cash flow information

### Reconciliation of net income/(expenditure) to net cash flow from operating activities

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Net income/(expenditure) for the reporting period	9,855	(9,164)
<b>Adjustments for:</b>		
Depreciation of fixed assets	1,391	1,398
Loss on disposal of fixed assets	57	5
Currency translation difference in fixed assets	17	(5)
Share of loss in associate	113	-
Interest received	(131)	(132)
Interest paid	47	87
Decrease/(increase) in investments	11	(78)
Decrease/(increase) in debtors	230	(2,812)
(Decrease)/increase in creditors	(7,451)	830
Defined benefit pension contributions	(1,616)	(1,539)
Amounts related to the defined benefit pension scheme included within the Statement of Financial Activities	(152)	3,095
(Decrease)/increase in provisions	(388)	1,516
<b>Net cash used in operating activities</b>	<b>1,983</b>	<b>(6,799)</b>

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

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Increase/(decrease) in cash and cash equivalents in the year	170	(4,699)
Increase/(decrease) in liquid resources	1,501	(3,375)
Movement in net funds	1,671	(8,074)
Net funds at beginning of year	11,832	19,906
<b>Net funds at 31 December 2019</b>	<b>13,503</b>	<b>11,832</b>

### Analysis of net funds

	<b>2018</b>	<b>Cash flow</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand	11,741	170	11,911
Short term deposits	91	1,501	1,592
<b>Net funds</b>	<b>11,832</b>	<b>1,671</b>	<b>13,503</b>