

Amnesty International Limited

(a company limited by guarantee)

Report and financial statements for the year ended 31 December 2017

Company No: 1606776

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Legal and Administrative details

Directors:	Vincent Adzahlie-Mensah Rune Arctander Sarah Beamish Nicole Bieske Paul Divakar Namala (resigned 15 August 2017) Shahram Hashemi Mwikali Nzioka Muthiani Guadalupe Rivas (resigned 15 August 2017) Jacobus Smit Greg Marsh (appointed 15 August 2017) Fabiola Gutierrez Arce (appointed 15 August 2017)
Company Secretary:	Nick Williams
Secretary General:	Salil Shetty
Address and Registered Office:	1 Easton Street London WC1X 0DW
Company Registration Number:	1606776
Date of incorporation:	6 January 1982
Constitution:	Company limited by guarantee, with memorandum and articles of association
Solicitors:	DLA Piper 3 Noble Street London EC2V 7EE
Bankers:	Lloyds Bank plc 344 Gray's Inn Road London WC1X 8BX
Auditors:	Crowe U.K. LLP previously Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH

Report of the Directors for the year ended 31 December 2017

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 2017. 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 Organization structure

Amnesty International (or 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 International Secretariat (IS). The work of the IS is undertaken by Amnesty International Limited (AIL) and Amnesty International Charity Limited (AICL), both companies limited by guarantee registered in England and Wales. AICL provides grant funding to AIL for the purposes of its charitable activities, which are furthered, operationally, by the IS and Amnesty's membership entities. AICL 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 accountable to the International Board of Amnesty International and the Amnesty 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.

Global offices

AIL's operations are distributed across 20 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, Geneva, Johannesburg, Kiev, Lima, Moscow, Nairobi, New York, Paris 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), Abuja (Centre for the Protection of Human Rights and Social Justice of Amnesty Intl Nigeria), Colombo (Amnesty International South Asia) and Tunis (Amnesty International Afrique du Nord).

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

1.2 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 February 2010.

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 International movement are set out in the global Statute of Amnesty International and the global governance regulations.

The International Board in its capacity as the AIL board of directors ("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 organization 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.

Board members as at the date of this report are as disclosed on page 2. Greg Marsh and Fabiola Gutierrez Arce were appointed on 15 August 2017. Paul Divakar Namala and Guadalupe Rivas resigned on the same date.

As AIL is a not for profit organisation which aims to follow charity sector best practice, the Board members are familiarising themselves with the updated version of the Charity Governance Code (the "Code") published in July 2017. While AIL is not currently compliant with the Code, the Board members consider that AIL's governance framework does align with many aspects of the Code. An in-depth review of the Code and consequential changes to AIL's governance and standards will be carried out in 2018, with a view to AIL becoming fully compliant with the Code.

1.3 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 Senior Leadership Team (SLT) and approximately 600 staff. 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.

Strategic Report (continued)

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 Senior 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 Organizations. This is detailed in full on our website at <https://www.amnesty.org/en/about-us/pay-at-amnesty-international/>.

2. Public Benefit

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

3. Aims

In accordance with the articles of association, our 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.

Strategic Report (continued)

In this context, Amnesty International's vision of a world in which every person enjoys all of their human rights¹, 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. 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
- **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

Goal 5 includes targets of:

- Engaging 25 million people to take action for human rights each year with us by 2020
- Inspiring four million people to donate in support of human rights each year – raising €400m in combination with gifts from our biggest donors.

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

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

Strategic Report (continued)

In 2017, 69% of our research and campaigning resources was dedicated to the delivery of the five goals (excluding grant expenditure), which is less than the originally set parameters of at least 80% of our work globally to be within the key strategic areas.

Expenditure per Goal

Reactive/Work across all Goals	7,865,000
Ongoing	4,698,000
SG 1	6,665,000
SG 2	4,193,000
SG 3	5,752,000
SG 4	5,597,000
SG 5	6,240,000
<hr/> Grand Total	<hr/> 41,010,000

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

4. Achievements and Performance

2017 has been another challenging year for human rights. Conflict, austerity measures and natural disasters pushed many into deeper poverty and insecurity; millions were forced to flee their homes and seek refuge elsewhere in their own countries or across international borders. Discrimination remained rife in all regions of the world, and at times had deadly consequences for the victims. Governments of all persuasions continued to crack down on the rights to freedom of expression, association and assembly, and to use demonizing narratives to advance political agendas. In this context, Amnesty's work has been presented with a great challenge.

In this context, it is important to have relevant mechanisms in place to assess where and how we are achieving most impact, and how we are progressing with the delivery of our projects. In order to do that, Amnesty has in place an Impact and Learning system through which we monitor and evaluate our work at national and global levels. The system allows us to conduct a sophisticated analysis of how social change happens and where to adjust our strategies to achieve maximum human rights impact. Each project within the international portfolio sets individual indicators articulating human rights outcomes we want to achieve against various actors (such as governments, civil society, media, corporations etc.). Amnesty also uses the structure of its Strategic Goals as an impact and progress monitoring framework, through framing outcomes for each Goal and theories of change providing pathways to successful delivery of the strategy.

To be more accountable for how we utilise our resources and to keep track of our portfolio, Amnesty has established a Portfolio Management Office which generates data used to assess coverage and delivery on the goals. We also monitor our projects on a quarterly basis marrying project management with financial monitoring.

However, even in this difficult context, there have been some significant steps forward and examples of impact achieved globally.

Strategic Report (continued)

Supporting Human Rights Defenders (Goal 1)

Protecting Human Rights Defenders has been at heart of Amnesty's work in 2017, as we focused our collective efforts on our global campaign "Brave" which was launched in May 2017. Whilst it is too early to assess full impact of the campaign, it has seen some positive results including:

- In October 2017, after months of relentless campaigning, 9 out of 10 imprisoned human rights defenders in Turkey - "the Istanbul 10"- were released (including Amnesty International Turkey's Director). Unfortunately Amnesty International Turkey's Chair still remains detained but efforts continue as Taner Kilic's case remains a priority for the "Brave" global campaign.
- In March 2017, following Amnesty International's campaigning and advocacy efforts, the Supreme Court of the Province of Tucuman, northern Argentina, unanimously decided to acquit Belen, the 27 years old woman who had been sentenced to 8 years of prison after suffering a miscarriage in a public hospital. It was an emblematic case for Amnesty International, which provided a glimmer of hope for other women who suffer from discrimination and violation of their sexual and reproductive rights.

We have also seen some successful outcomes from our work supporting human rights defenders in other difficult environments around the world. On 25 November, the intelligence service in Venezuela released young activist Steyci Escalona after 11 months of politically-motivated arbitrary detention; she has publicly thanked Amnesty International staff and activists for their support. In Zimbabwe, Evan Mawarire, a human rights defender and leader of #ThisFlag movement, escaped a 20 year prison term when he was acquitted, and he remarked, "The work [Amnesty] do for people like me, all the international campaigning... you may not see it on the ground, but it keeps people like me safe. Thank you".

LGBTI rights (Goal 2)

There was a positive momentum on rights for LGBTI people – including the overwhelming decision in Australia to support marriage equality, and Tokyo's moves as the 2020 Olympic and Paralympic host city to acknowledge the rights of LGBTI people. Amnesty International has made a contribution to these results through its work within these countries.

EU migration (Goal 3)

Amnesty International issued a report accusing the EU of complicity in the torture and abuse of refugees and migrants in Libya – which was widely reported in the media. The report was a product of months of detailed research and legal analysis and has shone a bright light on EU migration policies, providing a strong platform for engaging EU, Italian and Libyan authorities in the months to come.

Holding businesses to account (Goal 4)

After an investigation by the London Metal Exchange (LME) as a result of Amnesty International's report on practices in mining industry, the Chinese refiner Nanjing Hanrui – a major exporter of Congolese cobalt - said it had begun investigating its supply chain for human rights abuses. LME's investigation and Nanjing's statement show that our work on human rights risks in the cobalt supply chain is starting to have a broader impact on the industry, reinforcing the need for better corporate practice beyond the specific companies included in our research.

In November, Amnesty International released the report Time to Recharge, which ranked industry giants including Apple, Samsung Electronics, Dell, Microsoft, BMW, Renault and Tesla on how much

Strategic Report (continued)

they have improved their cobalt sourcing practices since January 2016. There were some signs of progress observed. Earlier in the year, Apple became the first company to publish the names of its cobalt suppliers and Amnesty International's research shows it is currently the industry leader when it comes to responsible cobalt sourcing. Adequate steps were also taken by Samsung. Despite these positive signs, others are still failing to take even basic steps like investigating supply links in the DRC. Amnesty International will continue to work on the matter in the next period.

A year on from our report on labour abuses on palm oil plantations, agricultural giant Wilmar issued a 12 month progress report claiming positive changes for some workers on plantations where we had documented serious labour abuses. Wilmar's report and improvements follow on from one year of intensive advocacy and campaigning targeting five of Wilmar's palm oil buyers – Colgate-Palmolive, Kellogg's, Nestlé, Procter & Gamble and Unilever – as well as internal pressure from banks and other industry actors.

Public security operations (Goal 4)

In Mexico, the Congress revived a pernicious bill on "internal security". The bill proposes to expand the role of the armed forces in public security operations, to classify everything related to law enforcement as secret, and to oblige state agencies (including the Ombudsman) to hand over all information requested by the military. Amnesty International acted promptly in coordination with local and international organizations, the UN Office of the High Commissioner for Human Rights, and Mexican artists to raise awareness about the dangers of this law. This prevented a fast track approval designed to have the law in place within 48 hours, and the Senate convened hearings with civil society to debate the bill further.

Write for Rights campaign (across all Goals)

Amnesty International's yearly flagship campaign once again reached millions of people around the world, who wrote letters for those whose basic human rights are being attacked. Amnesty International has been running this campaign for the last 15 years, and since its inception, it has become the world's biggest global human rights event. This year, our supporters took an impressive 5.5 million actions globally, beating the last year's result by almost 1 million. We recorded 18% more actions this year compared to 2016 – a 29% increase of average actions per case. Write for Rights 2017 took place amid the development of Amnesty's Global Campaign on Human Rights Defenders – BRAVE – and therefore focused on the work of those who put their lives on the line to defend the rights of others by featuring cases of Human Rights Defenders only. So far, positive human rights change has been achieved in 7 of the 10 global cases. This varied from improvements in conditions of detention, through reduction of threats to releases from prison. Wins around the "Istanbul 10" could be attributed to the Global efforts around Write for Rights.

Stop torture (Legacy Campaign; Goal 4)

There was progress in Uzbekistan, a focus country for our earlier 'Stop Torture' campaign, when the President Shavkat Mirziyoyev signed a decree which expressly prohibits the use in court of confessions and other testimonies obtained with the use of torture – a great result for all who had long worked towards this goal and a specific objective for Amnesty International's campaign.

Strategic Report (continued)

Movement growth (Goal 5)

In terms of delivery on Goal 5, we have reached over 7 million people around the world who took actions or donated to Amnesty International, and will continue working to reach our target of 25 million supporters by 2020. To do that, we will work with our entities on the ground to ensure engagement is at the heart of everything we do.

5. Fundraising

The majority of AIL's income is contributions ("assessment") from local entities of Amnesty International ("sections") across the globe, which is supplemented by external fundraising activities and donations. The Global Fundraising and Engagement Directorate at AIL supports Amnesty International sections worldwide to increase their own income through fundraising capacity building and the provision to some entities of grants for fundraising investment.

The contributions made by Amnesty International entities to AIL's budget are calculated based on the assessment framework for the movement. A new assessment framework, the Distribution Model, was implemented from 2016 and continued to apply in 2017. It is the opinion of AIL's Directors that this system supports the long term growth of the organisation globally.

Proceeds from the sale of one of the IS's London office buildings in 2015 continue to be invested in certain Amnesty International entities' fundraising growth plans through our FIF (Fundraising Investment Fund) grant mechanism. In 2017, FIF grants totalled £4.3m. These investments will support achievement of the organisation's goal to grow global movement income from around €275m in 2015 to €400m by 2020. 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' increased contributions ("assessment") to its budget or reduced reliance on operational grants from AIL.

External fundraising activities for AIL are focussed on high value income streams - 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 - no commercial organisations fundraise on behalf of AIL. We receive some small ad hoc donations - these 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. We are 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. A safeguarding of vulnerable adults and children policy has been drawn up for implementation in 2018.

AIL received no complaints in 2017 about our fundraising activity.

Strategic Report (continued)

6. Plans for Future Periods

2018 will be an important year for Amnesty International, with a change in its leadership. From August 2018 Kumi Naidoo will succeed Salil Shetty, who will have served two terms as Secretary General commencing in 2010.

It is also the first year when Amnesty International will implement its revised governance model, adoption of which was an important internal achievement of 2017.

In 2018 and 2019, we will continue our work on advancing our Strategic Goals, with a particular attention on strengthening our portfolio on women's rights and consideration of gender in our work, as well as progressing with work on Economic Social Cultural Rights, all of which have been set as strategic directions for the Amnesty International Movement in the current planning period.

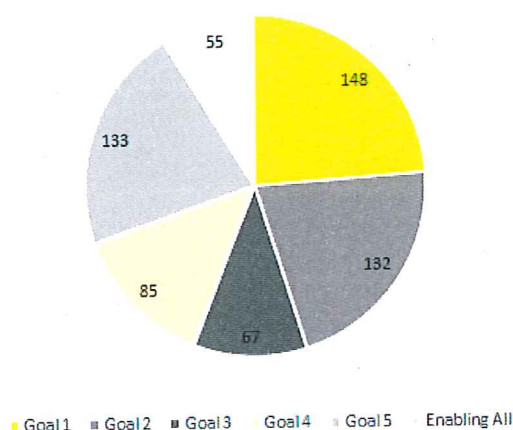
Amnesty will be also working on integrating our planning processes throughout the Movement. To do this, we will be promoting a unified project method which will allow us to plan and monitor the work using a shared online platform. In 2017, for the first time, Sections were asked to provide information in a format that directly mirrors the Amnesty project method. 95% of sections provided an overview of their planned delivery for 2018.

Amnesty's project portfolio comprises:

- 210 IS projects
- 31 National Office projects
- 419 Section projects

This means we are able to show a combined 2018 and 2019 portfolio view of IS and Section projects (below) and begin analysis of the International Secretariat portfolio alongside the global work of Sections – to inform the measurement of the outcomes and impact we have as a movement, and as a consequence our future strategic focus. The data below shows the alignment and complementarity of project work across the movement.

Primary Strategic Goal Overview:



Strategic Report (continued)

Combined portfolio view of IS and Section projects:

- 148 Projects in Goal 1: Reclaiming Freedom;
- 133 Projects in Goal 5: Maximising Our Resources and Engagement;
- 132 Projects in Goal 2: Securing Equal Rights for All;
- 85 Projects in Goal 4: Ensuring Accountability;
- 67 Projects in Goal 3: Responding to Crises; and
- 55 Projects in the Enabling all Goals category.

2018 will also be the year of piloting and testing new innovative ways of working and approaches, especially in the way we communicate our work and mobilise our members and supporters. Learnings and reflections will help inform our new global strategy from 2020 onwards and identify areas for further investment and prioritisation.

7. Grant Making Policy

AIL provides support to other Amnesty International entities (primarily in the global South and East) 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 the AIL's strategic objectives. AIL monitors all grants in accordance with the relevant grant agreement.

8. Volunteers and Interns

Our 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. Our volunteers' backgrounds are varied and enable our staff to 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. Equal Opportunities

AIL already has an equal opportunities policy which covers the importance of recognising difference and diversity across people. AIL also makes every effort to continue to employ people if they become disabled during their employment by making reasonable adjustments which include providing appropriate additional facilities or by adapting the requirements of the work to the individual's changed abilities.

In 2016 we were awarded the National Equality Standard which recognises the work undertaken to improve our policies and practices relating to Dignity, Diversity and Inclusion (DDI). We have a strong focus to this work which has had further momentum using the broader #MeToo focus in society to improve our approach to sexism, power, and all forms of harassment experienced by staff in undertaking their work both externally and internally. Additionally we have also clarified our expectations in terms of individual behaviours of managers and staff across the IS supported by mandatory training.

Strategic Report (continued)

10. Employee Involvement

The Internal Communications function continues to champion the positive experience employees have working for the International Secretariat. In collaboration with People and Organisational Development, they currently deliver an internal engagement strategy that has four key priorities for 2018/19. These are:

1. Our people feel connected to our leadership
2. Our people adopt Amnesty International's behaviours in practice
3. Our people make the most of their capabilities and skills and those of others
4. Our people feel supported and well-treated in the workplace

Underpinning this work is the principle of dignity, diversity and inclusion in the workplace (see Equal Opportunities at Section 9 above) which aims to translate the rights we champion externally into internal best practice.

Internal Communications continues to operate core communications channels that are available to all of our offices to ensure that employees feel supported, informed and involved in decisions about organisational priorities and their role in this. This includes an intranet, Nolwazi, and regular internal events and all staff meetings. We regularly promote financial news and initiatives on our intranet to build greater awareness and understanding of how funds are being used and to ensure greater financial awareness.

11. Financial Review

The results for AIL show net outgoing funds of £2,437,000 (2016: outgoing resources of £6,067,000).

AIL is principally funded by contributions from country sections as assessed by the Global Assembly. Incoming resources have increased to £72,794,000 (2016 - £68,407,000) mainly due to an increase of contributions from Amnesty International Sections.

Total resources expended were £76,072,000 (2016 - £72,605,000) including restructuring costs incurred in the year of £517,000 (2016 - £1,885,000) as part of the change in organisational structure and development of regional offices under the Global Transition Programme. The restructure has been planned and undertaken in line with the budget for the year ended 31 December 2017, as approved by the Board.

AIL has net current assets of £15,580,000 as at 31 December 2017 (31 December 2016: £19,434,000). AIL has unrestricted funds totalling £25,675,000 at the balance sheet date (31 December 2016: £28,112,000). Net cash outflow from operating activities for the year was £1,419,000 (2016: outflow of £8,172,000). AIL has net funds of £19,906,000 as at 31 December 2017 (31 December 2016: £22,535,000).

During the year AIL did not make a donation to the Charity under the Gift Aid scheme (2016: £1,000,000).

There were no significant events in 2017 that affected financial performance. Performance during the financial period, together with historical trend data is set out in the table below. 2014 figures have been restated to comply with FRS102.

Strategic Report (continued)

	Year ended 31 December 2017	Year ended 31 December 2016	Year ended 31 December 2015	Year ended 31 December 2014 restated	Year ended 31 December 2013
Total Donations and legacies	£72,440,000	£67,722,000	£55,954,000	£60,679,000	£58,437,000
Net current assets	£15,580,000	£19,434,000	£30,330,000	£16,809,000	£6,164,000

12. Investment and Hedging Policy

The IS 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 ethical investment policy with no use of speculative products. To maximise investment returns the IS uses 3, 6, 9, 12 and 18 month deposits.

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 2017, the IS 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 30 for a summary of hedging contracts at 31 December 2017.

13. 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 Senior Leadership Team and the Finance and Audit Committee 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. The directors ensure that for each risk:

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

The top four risk areas in 2017 were assessed as the following:

General Data Protection Regulation (GDPR)

New (European) legislation from May 2018 will impact the ability to contact new and existing supporters and donors, which may reduce growth of members, supporters and income. We will comply with this legislation and will develop engaging campaigns and communications to mitigate its impact.

Strategic Report (continued)

Security

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

Campaigning growth

Inability to achieve Amnesty International's ambition to engage 25 million people annually by 2020 to take action for human rights, would reduce the organisation's impact and income. Mitigations include improving data collection and analysis to ensure resources are allocated to those areas with the greatest return on investment, applying additional resources to this strategic ambition, and seeking external funding.

Financial risks

AIL is dependent upon voluntary income from other Amnesty International member entities and from third party donors to adequately fund core human rights work. AIL is exposed to liquidity risk arising from the potential failure to achieve budgeted income. This risk is derived both from the potential non-payment of assessment income from Amnesty International sections and from the potential non-achievement of fundraising grants. Maintaining strong relationships with the AI sections, regular monitoring of section fundraising performance and investment in the fundraising strategy mitigate this risk.

14. Pension fund

The FRS 102 valuation of the AIL defined benefit pension scheme as at 31 December 2017 supplied by AIL's actuaries showed a deficit figure of £563,000 (31 December 2016: £3,103,000).

The FRS102 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 2014 which revealed a funding shortfall of £7,996,000 (September 2011: £12,055,000). AIL is currently making annual contributions of £1,466,000, increasing by 5% per year, as agreed with the Trustees of the pension scheme, to eliminate this shortfall. The next full actuarial valuation was in progress as at 31 December 2017 and will be completed in 2018.

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'.

15. Reserves

At 31 December 2017 AIL Group (which includes all Company branches and its subsidiaries) had free reserves of £9,327,000 (31 December 2016: £7,280,000) and the Company (which includes branches but not subsidiaries) had free reserves of £7,361,000 (31 December 2016: £4,216,000). In line with Charity Commission guidance, free reserves are calculated as the Company's unrestricted net assets that are freely available to spend, without negatively impacting the Company's operations. Excluded from the free reserves are funds relating to fixed assets of £14,790,000 (2016: £14,998,000) for AIL and £14,211,000 (2016: 14,682,000) for the Company, as disposal of these assets would adversely affect AIL's operations.

Strategic Report (continued)

In addition to the free reserves, the directors have agreed to designate funds of £2,963,000. £1,050,000 of which are to be used to fund Global Transition Programme expenditure, and are expected to be utilised during 2018; and £1,913,000 from the building sale is to be used to fund Fundraising Investment Fund grants, as part of Amnesty International's fundraising growth strategy to 2020.

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

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

1. The Company's risk management framework;
2. Income budgets/forecasts and analyses of the stability of sources of income;
3. Expenditure budgets, forecasts, including staff costs, 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 the target range for AIL has been set at between £5.8m and £10.6m, with an aim to achieve the lower end of the target range. Whilst within the range in 2017, AIL plans to operate a deficit in 2018 to move closer to the lower end of the range.

16. Going Concern

We have set out above a review of financial performance and AIL's reserves position. Our risk assessment and planning processes, including financial projections, have taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. The directors have a reasonable expectation that adequate resources are available to enable AIL to continue in operational existence for the foreseeable future. The directors believe that there are no material uncertainties that call into doubt AIL's ability to continue. The accounts have therefore been prepared on the basis that AIL is a going concern.

17. 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 he/she should have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information. Crowe Clark Whitehill LLP were reappointed as auditors following a competitive tender process during 2017. On 25 June 2018, Crowe Clark Whitehill LLP changed its name to Crowe U.K. LLP. Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

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.

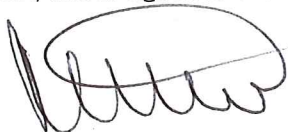
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland, and applicable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

Mwikali Muthiani

Director

05 July 2018

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 2017 which comprise of Statement of Financial Position, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

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 2017 and of the group's loss 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.

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

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. This description forms part of our auditor's report.



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

25th July 2018

**Consolidated Statement of Financial Activities
(Incorporating the Income and Expenditure Account)
For the year ended 31 December 2017**

		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	Notes	2017 £'000	2017 £'000	2017 £'000	2016 £'000
Income					
Donations and legacies	5,6	70,108	2,332	72,440	67,722
Charitable activities	7	36	-	36	293
Other trading activities		130	-	130	160
Investment income	8	188	-	188	232
Total incoming resources		70,462	2,332	72,794	68,407
Expenditure					
Raising funds	9	7,068	-	7,068	7,099
Charitable activities	9	66,140	2,332	68,472	63,621
Exceptional restructuring costs	9	517	-	517	1,885
Loss on Disposal	9	15	-	15	-
Total outgoing resources on operating activities		73,740	2,332	76,072	72,605
Net outgoing resources before other recognised gains and losses		(3,278)	-	(3,278)	(4,198)
Net gains/(losses) on investment		(300)	-	(300)	(103)
Net expenditure		(3,578)	-	(3,578)	(4,301)
Other recognised gains and losses					
Actuarial Gains/(Losses)	14	1,141	-	1,141	(1,766)
Net movement in funds		(2,437)	-	(2,437)	(6,067)
Reconciliation of funds					
Total funds brought forward		28,112	-	28,112	34,179
Total funds carried forward		25,675	-	25,675	28,112

All activities are continuing.

There is no difference between the results for the period stated above and their historical cost equivalents.

The notes on pages 24 to 53 form part of these financial statements.

Consolidated Balance Sheet as at 31 December 2017

Company no: 1606776

	Notes	Group		Company	
		Dec-17 £'000	Dec-16 £'000	Dec-17 £'000	Dec-16 £'000
Fixed assets					
Tangible assets	17	14,790	14,998	14,211	14,682
Intangible assets		37	18	-	-
Investments	17,18,19	1,399	1,541	508	508
Total fixed assets		16,226	16,557	14,719	15,190
Current assets					
Stocks	20	-	18	-	-
Debtors: amounts falling due within one year	21	9,211	7,515	8,873	7,563
Debtors: amounts falling due after one year	21	134	1,878	115	1,746
Short term investments		3,176	13,395	3,176	13,395
Cash at bank and in hand	22	16,730	9,139	14,201	5,276
Total Current Assets		29,251	31,945	26,365	27,980
Creditors: amounts falling within one year	23	(13,671)	(12,511)	(11,790)	(10,750)
Net current assets		15,580	19,434	14,575	17,230
Total assets less current liabilities		31,806	35,991	29,294	32,420
Creditors: amounts falling due after more than one year	24	(3,483)	(3,150)	(3,475)	(3,142)
Provisions for liabilities and charges					
Provisions	26	(2,085)	(1,626)	(1,875)	(1,438)
Defined benefit pension scheme liability	14	(563)	(3,103)	(563)	(3,103)
Net assets		25,675	28,112	23,381	24,737
Funds:					
Unrestricted funds excluding pension reserve	27	8,485	8,414	6,770	5,355
Designated funds - fixed assets		14,790	14,998	14,211	14,682
Designated Fund - London Office and Fundraising		1,913	6,168	1,913	6,168
Designated funds - Global Transition Project		1,050	1,635	1,050	1,635
Pension reserve	14	(563)	(3,103)	(563)	(3,103)
Total unrestricted funds		25,675	28,112	23,381	24,737
Restricted funds		-	-	-	-
Total funds		25,675	28,112	23,381	24,737

The parent Company's net outgoing resources for the year ended 31 December 2017 totalled £1,356,000 (2016: £2,916,000).

The financial statements were approved and authorised by the Board of Directors on 05 July 2018 and signed on their behalf by

Mwikali Muthiani, Chair.

The notes on pages 24 to 53 form part of these financial statements.

Consolidated Cash Flow Statement for the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
Cash used in operating activities	33	<u>(1,419)</u>	<u>(8,172)</u>
Cash outflows from Investing activities			
Purchase of tangible fixed assets		(1,194)	(4,831)
Proceeds on Disposal of Fixed Assets		13	-
Interest received		(188)	(139)
		<u>(1,369)</u>	<u>(4,970)</u>
Cash inflow/outflows from financing activities			
Interest paid		138	141
		<u>138</u>	<u>141</u>
Decrease in cash & cash equivalents		<u>(2,650)</u>	<u>(13,001)</u>
<i>Change in cash & cash equivalents due to exchange rate movements</i>			
Currency translation difference in fixed assets		21	-
Cash & cash equivalents as at 31 December 2016		22,535	35,536
(Decrease)/increase in cash & cash equivalents		<u>(2,650)</u>	<u>(13,001)</u>
Total cash & cash equivalents as at 31 December 2017		<u>19,906</u>	<u>22,535</u>

Notes to the financial statements

For the year ended 31 December 2017

1 Company Information

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

2 Basis of accounting

Basis of preparation

The 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 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS102) – 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. The IS has taken advantage of the exemptions in FRS102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about the IS'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

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

Basis of consolidation

All companies over which Amnesty International Limited 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 Amnesty International Charity Limited (AICL), Editorial Amnistía Internacional, S.L. sociedad unipersonal (EDAI), 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), Centre for the Protection of Human Rights and Social Justice of Amnesty Intl Nigeria (AI Nigeria), Amnesty International Afrique du Nord (Tunisia) and Amnesty International South Asia (Colombo) have been consolidated into these Group financial statements. 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, Geneva, Paris, Dakar, Kampala, Kiev, Johannesburg, Nairobi, Beirut, Lima, Washington, Bangkok and Moscow. The financial statements include the results, assets and liabilities of these offices.

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

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

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

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. |

3 Accounting policies (continued)

Incoming resources

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 GBP value of income recognised and the GBP 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 International Secretariat. 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.

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.

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, probable and measurability have been met).

Where the receipt of incoming resources relating to a restricted grant is dependent on certain contractual performance conditions, revenue is only recognised when these 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.

3 Accounting policies (continued)

Resources expended

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 Company to the expenditure.

Resources expended are classified into Raising Funds, Campaigning, Research and Publications, Support and Governance. Where expenditure cannot be directly attributed to particular headings (i.e. support costs) it is allocated based upon the proportion to the number of staff engaged 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.

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 incoming/outgoing resources before other gains and losses. In 2012, 2013, 2014, 2015, 2016 and 2017 redundancy costs are associated with the reorganisation of the departments relating to the global transition programme. 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.

Activities in pursuance of the group's objectives comprise:

1. **Charitable activities**, including those undertaken on behalf of Amnesty International Charity Limited 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 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. The Group also bears Governance costs that relate to the entire Amnesty International movement, such as the cost of the International Council Meeting (ICM). They provide the governance infrastructure which allows the Group to operate and to generate the information required for public accountability, which includes the strategic planning processes that contribute to the future development of the Group.

3 Accounting policies (continued)

Grants

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

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 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 Company 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 incoming resources 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 and losses before net incoming/ (outgoing) resources.

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 FRS102, with a valuation undertaken by an independent actuary. FRS102 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 income and expenditure. 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 2017**

	Unrestricted Funds	Restricted Funds	Total Funds
	2016	2016	2016
	£'000	£'000	£'000
Income			
Donations and legacies	63,676	4,046	67,722
Charitable activities	293	-	293
Other trading activities	160	-	160
Investment income	232	-	232
Total income resources	64,361	4,046	68,407
Expenditure			
Raising funds	7,099	-	7,099
Charitable activities	59,489	4,132	63,621
Exceptional restructuring costs	1,885	-	1,885
Total resources on operating activities	68,473	4,132	72,605
Net outgoing resources before other recognised gains and losses	(4,112)	(86)	(4,198)
Net gains/(losses) on investment	(103)	-	(103)
Net expenditure	(4,215)	(86)	(4,301)
Actuarial Gains/(Losses)	(1,766)	-	(1,766)
Net movement in funds	(5,981)	(86)	(6,067)
Fund balances brought forward	34,093	86	34,179
Fund balances carried forward	28,112	-	28,112

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

	2017				2016			
	Europe	Americas	Rest of World	Total	Europe	Americas	Rest of World	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Donations and Legacies	55,945	12,999	3,496	72,440	52,172	11,459	4,091	67,722

6 Donations and Legacies

	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2017	2017	2017	2016
	£'000	£'000	£'000	£'000
Contributions from sections (net of provisions)	65,880	-	65,880	59,984
Additional voluntary contributions from sections	1,790	132	1,922	2,767
Donations	2,438	2,200	4,638	4,971
Total Donations and legacies	70,108	2,332	72,440	67,722

Contributions from Sections are stated net of provisions against income of £1,826,000 (2016: £321,000).

7 Charitable Activities

	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2017	2017	2017	2016
	£'000	£'000	£'000	£'000
Sales of Campaign Materials	36	-	36	37
Gain on Acquisition of AI Nigeria	-	-	-	102
Translation Services	-	-	-	154
Total Charitable Activities	36	-	36	293

Prior year Charitable Activities include the gain on acquisition of the Centre for the Protection of Human Rights and Social Justice of Amnesty Intl Nigeria (AI Nigeria) acquired in January 2016.

8 Investment Income

	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2017	2017	2017	2016
	£'000	£'000	£'000	£'000
Interest income	188	-	188	232
Total Charitable Activities	188	-	188	232

9 Resources Expended

	Notes	Grants payable Note 10 2017 £'000	Direct costs 2017 £'000	Total Funds 2017 £'000	Total Funds 2016 £'000
Expenditure on raising funds					
Grant fundraising and translation		4,398	2,670	7,068	7,099
Total expenditure on raising funds		4,398	2,670	7,068	7,099
Expenditure on activities					
Research and publications		28	27,400	27,428	26,628
Campaigning		8,726	13,302	22,028	19,767
Support	11	-	17,112	17,112	15,832
Governance	12	-	1,904	1,904	1,394
Total expenditure on activities		8,754	59,718	68,472	63,621
Restructuring costs		-	517	517	1,885
Loss on disposal		-	15	15	-
Total expenditure		13,152	62,920	76,072	72,605

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

Restructuring costs were incurred in the year of £517,000 in relation to the reorganisation of the South East Asia, South Asia, Americas and Middle East & North Africa programmes of work as part of the Global Transition Programme.

Most of these reorganisation plans form part of the Global Transition Programme described in the Strategic Report. Costs relate to redundancy, relocation, project management and one off costs associated with the set-up of the new regional offices. The restructure has been planned and undertaken in line with the operational plan for the two years ended 31 December 2017, as approved by the Board.

10 Grants

The Group makes grants to certain Sections. Grants payable to Sections 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 research, publications and campaigning activities. In the current and preceding financial years, the Group made grants to certain Sections, to be used by recipients to undertake research, publications and campaigning activities. During the year the Group made grants totalling £13,152,000 (2016: £14,826,000). At the balance sheet date, the Group had awarded and communicated but not yet fully paid grants to the value of £3,304,000 (2016: £4,013,000): these grants were awarded to fund 2018 activity but have been included in 2017 expenditure because fulfilment of the grant conditions was considered highly likely and outside of the direct control of the Group at year end. The conditional grant commitments at the year end are detailed in note 29. Details of individual grants are available from the Company's registered office.

11 Support Costs

	Campaigning	Research and Publications	Fundraising	Total	Total
	2017	2017	2017	2017	2016
	£'000	£'000	£'000	£'000	£'000
Salaries and employment benefits	2,376	2,958	762	6,096	5,789
Occupancy costs	580	722	186	1,488	1,741
Professional fees	679	846	218	1,743	1,898
Information technology costs	528	657	169	1,354	1,741
Administration costs	153	190	49	392	182
Depreciation	482	600	155	1,237	1,013
Insurance	365	454	117	936	744
Other costs	1,503	1,871	482	3,856	2,695
Publication costs	4	5	1	10	29
	6,670	8,303	2,139	17,112	15,832

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 costs incurred by each area. Other costs include the interest paid/ (received) on the defined benefit pension scheme.

12 Governance Costs

	Direct Costs	Total	Total
	2017	2017	2016
	£'000	£'000	£'000
Salaries and employment benefits	932	932	1,036
Occupancy costs	1	1	1
Professional fees	84	84	75
Information technology costs	11	11	11
Administration costs	867	867	267
Insurance	5	5	-
Other costs	1	1	4
Publication costs	3	3	-
	1,904	1,904	1,394

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, the International Council Meeting and a share of the support costs.

13 Employees and Directors

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

	2017	2016
	£'000	£'000
Salaries	32,546	28,099
Redundancy costs	221	1,039
Social security costs	3,668	3,154
Employer pension contributions	2,848	2,717
Staff recruitment, training and welfare	1,779	1,711
	41,062	36,720

13 Employees and Directors (continued)

The average number of persons employed by the Group during the year was 601 (2016: 551).

	2017	2016
Fundraising	32	23
Research and Regions	171	153
Campaigning and Communications	247	233
Governance	27	24
Support	124	118
	601	551

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

	2017	2016
UK	356	362
Overseas	245	189
	601	551

The number of employees whose emoluments paid during the year, including taxable benefits in kind and redundancy payments but not employer pension contributions, were over £60,000 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 2017	Non UK 2017	Total 2017	UK 2016	Non UK 2016	Total 2016
60,000 – 69,999	35 (2)	39 (1)	74 (3)	45 (4)	20 (2)	65 (6)
70,000 – 79,999	12 (1)	20	32 (1)	13 (2)	16 (4)	29 (6)
80,000 – 89,999	2	10	12	5 (2)	7 (1)	12 (3)
90,000 – 99,999	1	5	6	1	5 (1)	6 (1)
100,000 – 109,999	4	5	9	6 (2)	1	7 (2)
110,000 – 119,999	2 (1)	4	6 (1)	1	-	1
120,000 – 129,999	-	-	-	1 (1)	2	3 (1)
130,000 – 139,999	-	1	1	1 (1)	-	1 (1)
140,000 – 149,999	-	1	1	-	-	-
200,000 – 209,999	-	-	-	1	-	1
210,000 – 219,999	1	-	1	-	-	-

The above numbers include a number of long-serving staff who received redundancy payments in 2016 and 2017, as a result of the Global Transition Programme. Total redundancy payments across all employees were £549,917 in 2017 (2016: £1,084,225). There were no severance payments over £100k incurred during 2017 (2016: nil). Provisions for redundancy payments are recognised when the reorganisation of certain departments of Amnesty International Limited are formally announced by the Group.

The disclosures above include the total of the annual salaries of the seven IS key management personnel, the Senior Leadership team, which as of 31 December 2017 was £1,001,891 (2016: £1,069,637) when including employer pension contributions and social security. This excludes £210,000 remuneration paid to the Secretary General who also received £22,050 paid to the pension scheme. The accrued pension costs as at 31 December 2017 for the Secretary General was £1,838. The pension contribution is calculated at a standard 10.5% of annual salary. During the year no non-executive director of the company received compensation.

The total of the five highest salaries in 2017 was £721,272 (2016: 679,760, 2015: £606,771, 2014: 618,281). The total amounts include employees paid outside of the UK and not part of the Senior Leadership team. The ratio of the highest salary to the lowest is 7.0 (2016: 7.0, 2015: 5.8, 2014: 6.9). The highest salaried member of staff (the Secretary General) is based in the UK; the lowest salary figure used for this calculation is the lowest full time employee paid in the UK. During 2017 paid internships were introduced; using the salary of a paid intern position as the lowest salary increases the ratio to 11.2. The ratio of the highest salary to the midpoint salary of the grade structure is 4.1 (2016: 4.1, 2015: 3.4, 2014: 4.0). The midpoint salary figure used for this calculation is the midpoint full time grade paid in the UK.

13 Employees and Directors (continued)

Volunteers typically commit to volunteer between two and three days a week for a minimum of three months, help our members of staff with a variety of aspects of their work and are involved in activities across the International Secretariat. These tasks include monitoring the international press, translating, undertaking research, designing web pages, raising funds and supporting legal, human resources and accounting activities. During 2017 we also had volunteer interns undertaking specific projects, generally volunteering their time for three to five days per week for a minimum of 4 months.

Transactions with Directors

Expenses for travel related expenditure of £51,616 were paid to 10 Directors (2016: £55,491 to 13 Directors). 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.

Board Member	2017
	£
Guadalupe Rivas	4,882
Mwikali Muthiani	6,085
Nicole Bieske	9,135
Paul Divakar Namala	1,468
Rune Arctander	3,778
Sarah Beamish	3,601
Vincent Adzahlie-Mensah	8,615
Jacco Smit	6,789
Shahram Hashemi	4,365
Fabiola Arce	2,898

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.

Defined contribution

The Company contributes to the defined contribution scheme at the standard rate of 7.5% of pensionable salaries, plus an additional 0.8% for death in service premiums and 0.8% for scheme expenses.

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 Scheme are held separately from those of the Group. The Group's contributions in the year were £2,848,000 (2016: £2,111,000).

Defined benefit

Description of the plan, valuation and funding arrangements

Amnesty International Limited (the "Employer") sponsors a funded pension scheme, the Amnesty International Superannuation Scheme (the "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 2014 and contributions of £1,539,000 are expected to be paid by the Employer to the Scheme during the year ending on 31 December 2018.

14 Pension arrangements (continued)

The results of the latest funding valuation at 30 September 2014 have been adjusted to the balance sheet date taking account of experience over the period since 30 September 2014, 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:

	2017	2016
	%	%
Pensions increasing in payment at CPI (max 3.0% pa)	1.9	2.0
Discount rate	2.45	2.7
Life expectancy	S2 tables projected by year of birth using CMI 2016 improvements and a 1% long term improvement rate	S2 tables projected by year of birth using CMI 2015 improvements and a 1% long term improvement rate

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:

	2017		2016	
	£'000	%	£'000	%
Equities	10,386	32	16,382	57
Property	4,152	13	3,883	13
Bonds	6,747	21	6,519	23
Cash	2,763	9	1,940	7
Diversified Growth Fund	8,013	25	-	-
Total	32,061	100	28,724	100

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.

	2017	2016
	£'000	£'000
Fair value of assets	32,061	28,724
Present value of funded defined benefit obligations	(32,624)	(31,827)
Funded status	(563)	(3,103)
Unrecognised asset	-	-
Liability recognised on the balance sheet	(563)	(3,103)
Present value of unfunded defined benefit obligations	(563)	(3,103)

14 Pension arrangements (continued)

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 2017 was as follows:

	2017 £'000	2016 £'000
Financing cost: interest on net defined benefit liability	(67)	(73)
Pension expense recognised in the income statement	(67)	(73)
Asset gains arising during the year	1,838	1,963
Liability losses arising during the year	(697)	(3,729)
Total amount recognised in other gains and losses	1,141	(1,766)
Total amount charged to the Statement of Financial Activities	1,074	(1,839)

	2017 £'000	2016 £'000
Changes to the present value of the defined benefit obligation during the year		
Opening defined benefit obligation	(31,827)	(27,751)
Interest expense on defined benefit pension scheme	(849)	(1,014)
Actuarial loss	(697)	(3,729)
Net benefits paid out	749	667
Closing defined benefit obligation	(32,624)	(31,827)

	2017 £'000	2016 £'000
Changes in the fair value of the scheme assets during the year		
Opening fair value of scheme assets	28,724	25,091
Interest income	782	941
Gain on scheme assets	1,838	1,963
Contributions by the employer	1,466	1,396
Net benefits paid out	(749)	(667)
Fair value of scheme assets at the year end	32,061	28,724

	2017 £'000	2016 £'000
Actual return on the scheme assets during the year		
Interest income on scheme assets	782	941
Gain on scheme assets	1,838	1,963
Actual return on scheme assets	2,620	2,904

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15 Interest payable and similar charges

	2017	2016
	£'000	£'000
Group interest payable and similar charges:		
on loans from Sections	71	68
on pension finance costs	67	73
	<u>138</u>	<u>141</u>

16 Net outgoing resources

The Group's net outgoing resources are arrived at after charging:

	2017	2016
	£'000	£'000
Depreciation of tangible fixed assets	1,353	1,022
Net gains/(losses) on investment	300	103

Auditor's Remuneration

	2017	2016
	£'000	£'000
Fees payable to the group's auditors for the audit of the group's statutory accounts for the period	50	57
Fees payable to the group's auditors for the audit of Amnesty International Charity Limited for the period	3	3
Total audit fees payable to the group's auditor	<u>53</u>	<u>60</u>
Tax related services from the group's auditor	<u>4</u>	<u>2</u>
Other non-audit services from the group's auditor	<u>10</u>	<u>-</u>

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
Cost At 1 January 2017	13,369	10,096	5,327	28,792
Currency revaluation	-	(23)	-	(23)
Additions	-	743	451	1,194
Disposals	-	(375)	-	(375)
At 31 December 2017	13,369	10,441	5,778	29,588
Depreciation				
At beginning of year	(4,240)	(5,098)	(4,456)	(13,794)
Currency revaluation	-	2	-	2
Charge for the year	(235)	(706)	(412)	(1,353)
Disposals	-	347	-	347
At 31 December 2017	(4,475)	(5,455)	(4,868)	(14,798)
Net book value				
At beginning of year	9,129	4,998	871	14,998
At 31 December 2017	8,894	4,986	910	14,790

Company	Freehold land and buildings £'000	Office furniture and equipment £'000	Computer equipment £'000	Total £'000
Cost				
At beginning of year	13,001	9,843	5,208	28,052
Additions	-	552	366	918
Disposals	-	(30)	-	(30)
Transfers to subsidiaries	-	(116)	(24)	(140)
At 31 December 2017	13,001	10,249	5,550	28,800
Depreciation				
At beginning of year	(4,104)	(4,914)	(4,352)	(13,370)
Charge for the year	(235)	(562)	(434)	(1,231)
Disposals	-	9	-	9
Transfers to subsidiaries	-	2	1	3
At 31 December 2017	(4,339)	(5,465)	(4,785)	(14,589)
Net Book Value				
At beginning of year	8,897	4,929	856	14,682
At 31 December 2017	8,662	4,784	765	14,211

17 Tangible fixed assets (continued)

Fixed Asset Investment Group	Freehold land and buildings £'000	Other Investments £'000	Total £'000
Cost			
At beginning of year	1,527	14	1,541
Loss on foreign exchange	(142)	-	(142)
At 31 December 2017	1,385	14	1,399
Net Book Value			
At beginning of year	1,527	14	1,541
At 31 December 2017	1,385	14	1,399

During 2015 the group also 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 AI Hong Kong in 2019. The buildings were sold on a sale and leaseback basis.

18 Investments in Subsidiaries

Investments include:

	Percentage ownership	2017 £'000	2016 £'000
Editorial Amnistía Internacional, S.L. sociedad unipersonal (EDAI)	100%	19	19
Amnesty International Asia-Pacific Regional Office Limited (AIAPROL)	100%	1	1
Amnesty International – European Association (EIO)	100%	386	386
Centre for the Protection of Human Rights and Social Justice of Amnesty Intl Nigeria (AI NIGERIA)	100%	102	102
		508	508

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

Editorial Amnistía Internacional, S.L. sociedad unipersonal (EDAI), 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.)

Amnesty International Charity Limited ("AICL") is a registered charity. It was incorporated in 1986 (Company number 2007475, Charity number 294230) to undertake certain of those aspects of the work of Amnesty International Limited 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.)

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.)

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18 Investments in Subsidiaries (continued)

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

Centre de Resources Linguistiques d'Amnesty International – Unité Chargée 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 Amnesty International Limited 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 Ltd 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 Amnesty International Limited and is treated as a subsidiary (Company number 1447121696. Registered office: Avenue de Cortenbergh/ Kortenberglaan 71 1000 Brussels, Belgium.)

Centre for the Protection of Human Rights and Social Justice of Amnesty Intl Nigeria – (AI Nigeria), a 'incorporated trustees' entity based in Nigeria has been consolidated since 2016 using the acquisition method of accounting due to the IS having management control (initial trustees include two senior IS staff members and one local trustee). (Company number CAC/IT/No 73222. Registered office: 10A Usuma Street, Maitama District, Abuja.)

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 Amnesty International Limited's operations in South Asia. Its members and board are controlled by Amnesty International Limited and hence whilst there is no investment it is treated as a subsidiary. (Registered office: De Saram (law firm), No.47, C.W. Kannangara 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 Amnesty International Limited's operations in North Africa. Its members and board are controlled by Amnesty International Limited 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.)

A summary of incoming resources, resources expended, assets, liabilities and funds for the subsidiaries is presented below:

	Incoming Resources	Resources Expended	Other recognised gains / (losses)	Net incoming / (outgoing) resources
	2017	2017	2017	2017
	£'000	£'000	£'000	£'000
EDAI	837	(840)	49	46
AIAPROL	2,247	(2,818)	(95)	(666)
EFAI	1,180	(1,235)	4	(51)
MEXICO	2,554	(2,677)	10	(113)
EIO	2,102	(1,916)	23	209
AICL	264	(1,365)	-	(1,101)
AI Nigeria	664	(531)	(60)	73
Colombo	125	(115)	-	10
Tunis	1,176	(844)	(4)	328

18 Investments in Subsidiaries (continued)

	Total assets	Total liabilities	Total Funds
	2017	2017	2017
	£'000	£'000	£'000
EDAI	538	(82)	456
AIAPROL	1,749	(1,150)	599
EFAI	270	(216)	54
MEXICO	246	(363)	(117)
EIO	1,051	(281)	770
AICL	543	(152)	391
AI Nigeria	375	(108)	267
Colombo	68	(59)	9
Tunis	293	(76)	217

Intercompany income and expenditure during the year:

	Income	Expenditure	Net intercompany
	2017	2017	2017
	£'000	£'000	£'000
EDAI	821	-	821
AIAPROL	2,247	-	2,247
EFAI	1,180	-	1,180
MEXICO	2,554	-	2,554
EIO	184	-	184
AICL	-	(1,272)	(1,272)
AI Nigeria	630	-	630
Colombo	125	-	125
Tunis	1,176	-	1,176

Intercompany assets and liabilities as at 31 December 2017:

	Total assets	Total liabilities	Total Funds
	2017	2017	2017
	£'000	£'000	£'000
EDAI	-	-	-
AIAPROL	-	-	-
EFAI	-	-	-
MEXICO	-	(139)	(139)
EIO	-	-	-
AICL	-	(141)	(141)
AI Nigeria	-	(110)	(110)
Colombo	-	-	-
Tunis	-	-	-

19 Other investments

A participating interest of £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 Amnesty International Limited, the Company having no involvement in the strategic operating and financial policies of the organisation with all transactions being on a commercial basis.

20 Stock

	Group		Company	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Finished goods	-	18	-	-

21 Debtors

Amounts shown as debtors falling due after one year comprise:

	Group		Company	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Amounts due from sections	134	1,836	115	1,704
Other debtors	-	42	-	42
	134	1,878	115	1,746

Amounts shown as debtors falling due within one year comprise:

	Group		Company	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Amounts due from sections	7,281	5,231	7,351	5,537
Other debtors	1,167	981	836	766
Prepayments and accrued income	763	1,303	686	1,260
	9,211	7,515	8,873	7,563

The 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, and all have individual repayment schedules starting from within the next financial year to 2020.

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:

	2017 Rate £'000	Repayment year
AI Brazil	1,020 LIBOR 12m + 1% or 2.5% (whichever is higher)	2020
AI Canada (French Speaking)	109 LIBOR 12m + 1% or 2.5% (whichever is higher)	2018
AI Ireland	1,494 EURIBOR + 1.25%	2020
AI Israel	191 LIBOR 12m + 1.25%	2018
AI Mexico	188 LIBOR 12m + 1% or 2.5% (whichever is higher)	2018
AI New Zealand	521 0%	2020
AI Poland	431 LIBOR 12m + 1.25%	2018
AI Taiwan	90 LIBOR 12m + 1% or 2.5% (whichever is higher)	2018
AI Turkey	110 2%	2018

22 Cash at bank and in hand

The group cash at bank and in hand was £16,730,000 (31 December 2016: £9,139,000). The substantial increase in cash is predominantly attributable to the withdrawal of funds from short term investments.

23 Creditors: amounts falling due within one year

Amounts shown as creditors falling due within one year comprise:

	Group		Company	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Bank loans	57	55	-	-
Loans from sections	262	1,162	262	1,162
Amounts due to sections	4,118	1,858	4,118	1,858
Trade creditors	933	779	875	602
Deferred income	1,878	1,315	1,789	1,315
Taxation and social security	365	309	108	162
Other creditors	1,888	1,736	662	381
Accruals	2,820	2,578	2,626	2,551
Grant accruals	1,163	2,240	1,163	2,240
Forward contract liability	187	479	187	479
	13,671	12,511	11,790	10,750

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 24 for further information.

Movement in Deferred Income

	Opening balance	Added in year	Released to Income	Closing balance
Deferred Income	1,315	3,117	(2,554)	1,878

Deferred income comprises £27,000 in contributions received from Sections carrying a requirement that related expenditure takes place in future years; and £1,851,000 in grants from external donors where conditions for recognition have not yet been met.

Grant accruals comprise grants in respect of 2017 planned activity, which were communicated to recipients in 2017 but paid in 2018.

24 Creditors: amounts falling due after more than one year

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

	Group		Company	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Loans from sections	3,475	3,142	3,475	3,142
Other creditors	8	8	-	-
	3,483	3,150	3,475	3,142

25 Creditors: amounts falling due after more than one year

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

Counterparty	2017 £'000	Rate	Repayment year
AI Austria	89	EURIBOR + 1.25%	2018
AI Belgium (French Speaking)	888	EURIBOR + 1.25%	2020
AI Finland	266	Higher of LIBOR + 1% and 2.5%	2019
AI Norway	451	Higher of LIBOR + 1% and 2.5%	2020
AI Portugal	133	EURIBOR + 1.25%	2019
AI Sweden	199	0%	2019
AI Switzerland	1,519	2%	2020
AI Switzerland	152	0%	2019

26 Provisions

Group	Restructuring £'000	Other £'000	Total £'000
At 1 January 2017	786	840	1,626
Charged to the statement of financial activities	189	960	1,149
Provision utilized	(535)	(155)	(690)
At 31 December 2017	<u>440</u>	<u>1,645</u>	<u>2,085</u>

Company	Restructuring £'000	Other £'000	Total £'000
At 1 January 2017	786	652	1,438
Released to the statement of financial activities	189	938	1,127
Charged to the statement of financial activities	(535)	(155)	(690)
At 31 December 2017	<u>440</u>	<u>1,435</u>	<u>1,875</u>

Restructuring Provision

The restructuring provision of £440,000 (2016: £786,000) relates to employee severance costs, which are recognised when the reorganisation of certain departments of Amnesty International Limited are formally announced by the Group. It is expected that the majority of this expenditure will be incurred in the next 12 months.

Other Provisions

Other provisions include holiday pay £956,000 (2016: £824,000), tax provisions £673,000 (2016: £nil) and appeals by current and former staff including backdated salary reviews £16,000 (2016: £16,000).

27 Share capital and funds

Group	Unrestricted funds	Restricted funds	Total
	£'000	£'000	£'000
Fund balances at 31 December 2017 are represented by:			
Fixed assets	16,226	-	16,226
Current assets	29,251	-	29,251
Current and long term liabilities and provisions	(19,239)	-	(19,239)
Pension liability	(563)	-	(563)
Total net assets at 31 December 2017	25,675	-	25,675

Group	Unrestricted funds	Restricted funds	Total
	£'000	£'000	£'000
Fund balances at 31 December 2016 are represented by:			
Fixed assets	16,557	-	16,557
Current assets	31,945	-	31,945
Current and long term liabilities and provisions	(17,287)	-	(17,287)
Pension liability	(3,103)	-	(3,103)
Total net assets at 31 December 2016	28,112	-	28,112

Group restricted funds

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

	01-Jan-17 £'000	Income £'000	Expenditure £'000	31-Dec-17 £'000
AI Netherlands	-	(132)	132	-
American Academy of Forensic Science	-	(6)	6	-
DFID	-	(44)	44	-
Dutch Postcode Lottery	-	(520)	520	-
EEJ 2015	-	(122)	122	-
Ford Foundation South Africa	-	(15)	15	-
Norwegian Telethon 2013 - 2017	-	(289)	289	-
OSF Human Rights Initiative	-	(53)	53	-
OSF International Migration	-	(60)	60	-
OSI South Africa	-	(12)	12	-
Swedish Postcode Lottery (Better Life call)	-	(242)	242	-
Swedish Postcode Lottery (Defending the Defenders)	-	(18)	18	-
Swedish Postcode Lottery (Innovation call)	-	(302)	302	-
Swiss Major Donors -Crisis	-	(245)	245	-
Anonymous	-	(146)	146	-
Anonymous	-	(104)	104	-
Anonymous	-	(22)	22	-
Total	-	(2,332)	2,332	-

27 Share capital and funds (continued)

Restricted funds from Amnesty International Sections

The Group held funds provided by Sections during the year, with the following restrictions:

AI Netherlands

Additional Voluntary Contribution towards work in Africa.

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 work coordinated by Amnesty International's West and Central Africa regional office on ending FGM and forced marriage.

Dutch Postcode Lottery

The Dutch Postcode Lottery funding is restricted to Crisis Response work.

Education, Empowerment and Justice (EEJ)

The EEJ grant is restricted to the human rights education programme of Amnesty International's Middle East & North Africa regional office. This grant ended in 2017.

Ford Foundation - South Africa

The Ford Foundation grant related to a project on policing in South Africa – this grant ended in March 2017.

Norwegian Telethon

The Norwegian Telethon is a multi-year grant relating to freedom of expression, discrimination against women and minorities, corporate Human Rights infringements, victims of armed conflicts and fair legal systems in MENA, as well as evaluation & impact and learning work.

Open Society Foundation

The Open Society Funding is restricted to work on the rights of migrant workers and advocacy on drone strikes. In addition funding was received in 2017 to support an event on albinism in South Africa.

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 a new grant in 2017 restricted to defending human rights defenders in Latin America.

Swiss Donors

These donations were restricted to Amnesty International's Crisis Response work.

Anonymous

These donations are from donors who wished to remain anonymous. The donations were restricted to work ending impunity for human rights violations in Africa and on the criminalisation of sexuality and reproduction.

27 Share capital and funds (continued)

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

	01-Jan-16	Income	Expenditure	31-Dec-16
	£'000	£'000	£'000	£'000
AI CANADA (ENGLISH SPEAKING)	(9)	-	9	-
AI Netherlands	-	(647)	647	-
AI United Kingdom	(77)	-	77	-
Benetech	-	(67)	67	-
Comic Relief 2013	-	10	(10)	-
Dutch Postcode Lottery	-	(259)	259	-
EEJ 2015	-	(84)	84	-
Ford Foundation South Africa	-	(58)	58	-
Humanity United	-	(124)	124	-
Norwegian Telethon 2013 - 2017	-	(790)	790	-
Oak 2015	-	(250)	250	-
OSF Human Rights Initiative	-	(506)	506	-
OSF Information Programme	-	(16)	16	-
OSF International Migration	-	(85)	85	-
OSI Central Eurasia	-	(9)	9	-
OSF Leph	-	(15)	15	-
Other	-	(48)	48	-
Swedish Postcode Lottery (Better Life call)	-	(245)	245	-
Swedish Postcode Lottery (Innovation call)	-	(365)	365	-
Swiss Major Donors -Crisis	-	(149)	149	-
Anonymous	-	(339)	339	-
Total	(86)	(4,046)	4,132	-

Restricted funds from Amnesty International Sections

The Group held funds provided by Sections during the year, with the following restrictions:

AI Canada (Eng)

Balance carried forward at 1 January 2016 relates to an operational planning grant, which was applied in full in 2016.

AI Netherlands

Additional Voluntary Contribution towards work in Africa.

AI United Kingdom

Balance carried forward at 1 January 2016 relates to International Mobilisation Trust and Common Accounting Framework grant, which was applied in full in 2016.

Benetech

The Benetech grant was restricted to Amnesty International's Satellite and Technology project.

Comic Relief

The Comic Relief grant relates to Amnesty International's Slums and Human Rights project in Kenya. This grant ended in January 2016.

Dutch Postcode Lottery

The Dutch Postcode Lottery funding is a new grant which started in April 2016 and is restricted to Crisis Response work.

27 Share capital and funds (continued)

Education, Empowerment and Justice (EEJ)

The EEJ grant is restricted to the human rights education programme of Amnesty International's Middle East & North Africa regional office. One grant ended in 2015, and a new one was secured for August 2015 onwards supporting the same programme.

Ford Foundation

The Ford Foundation grant related to a project on policing in South Africa – this grant ran to the end of March 2017.

Humanity United

The Humanity United grants in 2016 (ongoing from 2015) was restricted to work on the rights of migrant workers in Qatar.

Norwegian Telethon

The Norwegian Telethon is a multi-year grant relating to freedom of expression, discrimination against women and minorities, corporate Human Rights infringements, victims of armed conflicts and fair legal systems in MENA.

Oak Foundation

The Oak Foundation grant was restricted to the Global Transition Programme – it was a 2-year grant which started in 2015.

Open Society Foundation

The Open Society Funding is restricted to work on torture & ill treatment in central Eurasia, technology innovations for human rights, the rights of migrant workers and to the Global Transition Programme. In addition, funding was received in 2016 to support Amnesty's participation at the LEPH 2016 Conference.

Swedish Postcode Lottery

There are two Swedish Postcode Lottery grants – one is restricted to Amnesty International's 'Alt Click: a New Generation of Human Rights Activists' project and the other is restricted to a project on people at risk of torture in Nigeria.

Swiss Donors

These donations were restricted to Amnesty International's Crisis Response work. Donations were received from six donors in 2016 and made via AI Switzerland.

Unrestricted Funds

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

Unrestricted Funds	01-Jan-17	Income	Expenditure	Other gains and losses	31-Dec-17
	£'000	£'000	£'000	£'000	£'000
Designated Funds - fixed assets	14,998	1,194	(1,402)	-	14,790
Designated Fund - London Office and Fundraising	6,168	-	(4,255)	-	1,913
Designated Funds - Global Transition Project	1,635	-	(585)	-	1,050
Pension Fund	(3,103)	1,499	(100)	1,141	(563)
Unrestricted Fund	8,414	67,769	(67,398)	(300)	8,485
	28,112	70,462	(73,740)	841	25,675

27 Share capital and funds (continued)

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

Unrestricted Funds	01-Jan-16	Income	Expenditure	31-Dec-16
	£'000	£'000	£'000	£'000
Designated Funds - fixed assets	11,175	3,823	-	14,998
Designated Fund - London Office and Fundraising	15,260	-	(9,092)	6,168
Designated Funds - Global Transition Project	2,023	250	(638)	1,635
Pension Fund	(2,660)	3,633	(4,076)	(3,103)
Unrestricted Fund	8,295	51,349	(51,230)	8,414
	34,093	59,055	(65,036)	28,112

London Office and Fundraising

The profit on disposal from the sale of our properties at 25 and 28 Easton Street in 2015 has been ring-fenced as a designated reserve. This is to be 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. This expenditure is expected to be spent during 2016 to 2018.

Global Transition Project

These funds are 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 expenditure is expected to be spent during 2016 to 2018.

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 which would negatively impact the Group's operations.

28 Operating Leases

At 31 December 2017 the Group's future minimum lease payments under non-cancellable operating leases were as follows:

Group	Rental leases	Rental Leases
	2017	2016
	£'000	£'000
Less than one year	693	291
Within one to five years	557	123
Over five years	-	-
	1,250	414

The increase in minimum lease payments is due to new office rental lease agreements being entered into in 2017.

Total payments on rental leases recognised as expenditure in the year were £1,134,000 (2016: 998,000). Total payments on plant and machinery leases recognised as expenditure in the year were £10,000 (2016: £22,000).

29 Capital and other commitments

At 31 December 2017 the Group and Company had no capital commitments (31 December 2016: £0 for Group and Company).

A portion of the International Secretariat's annual income has been earmarked to fund £11.4m of 2018 operational costs for sections. The first tranches of payments were expensed in 2017 leaving £8.1m to be paid to sections in instalments during the remainder of 2018. There are no performance related conditions on these grants.

The IS has made a total commitment of £4.9m to invest in fundraising activities for sections during 2018. As at February 2018 a total of £1.3m was paid, with the remaining £3.6m to be paid to sections in instalments during the remainder of 2018. Future instalments are conditional on the fundraising performance of sections.

30 Financial Instruments

Amnesty International Limited has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at 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

	31-Dec-17	31-Dec-16
	£'000	£'000
Financial assets measured at amortised cost	44,041	46,238
Financial liabilities measured at amortised cost	(13,561)	(12,876)
Financial assets measured at fair value through the Statement of financial activities	1,399	2,015
Financial liabilities measured at fair value through the Statement of financial activities	(187)	(104)
Carrying amount of financial assets/liabilities	31,692	35,273

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

	31-Dec-17	31-Dec-16
	£'000	£'000
Net losses on forward contracts financial assets/liabilities	225	3,174
	225	3,174

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

	31-Dec-17	31-Dec-16
	£'000	£'000
Interest income for financial assets	110	134
Interest income for financial liabilities	6	19
	116	153

30 Financial Instruments (continued)

Forward Contracts

Included within creditors in the current year, these contracts have a net liability value of £187,000 (2016: liability value of £479,000) as spot rates are expected to be lower than the contracted forward rate when the contracts mature in 2018.

The fair value of the net liability is reached by applying quoted forward contract rates at the relevant balance sheet dates resulting in a recognised loss of £225,000 in the Statement of Financial Activities (2016: recognised loss £991,000).

At 31 December 2017, Amnesty International is committed to selling the following currencies under forward rate contracts held with bankers and other financial institutions:

2017 Contracts (GBP)

Currency	Contract value	Contract type	Maturity
EUR	2,400,000	Fixed Forward	28-Feb-18
EUR	1,700,000	Fixed Forward	30-May-18
AUD	4,350,000	Open Forward	31-Aug-18
DKK	9,500,000	Open Forward	28-Dec-18
SEK	20,500,000	Open Forward	28-Dec-18
CAD	2,050,000	Open Forward	31-Dec-18
CHF	2,000,000	Open Forward	31-Dec-18
NOK	10,000,000	Open Forward	31-Dec-18
EUR	6,200,000	Open Forward	31-Dec-18

2017 Contracts (USD)

Currency	Contract value	Contract type	Maturity
EUR	3,000,000	Open Forward	31-Dec-18

2016 Contracts (GBP)

Currency	Contract value	Contract type	Maturity
AUD	1,975,000	Open Forward	30-Jun-17
AUD	1,975,000	Open Forward	30-Dec-17
NOK	11,800,000	Open Forward	30-Dec-17
CHF	2,100,000	Open Forward	30-Dec-17
EUR	10,000,000	Open Forward	30-Dec-17
CAD	1,700,000	Open Forward	30-Dec-17
SEK	13,800,000	Open Forward	30-Dec-17
DKK	9,300,000	Open Forward	30-Dec-17
NZD	500,000	Open Forward	30-Dec-17

31 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.

32 Events after the balance sheet date

There are no material post balance sheet events to report.

33 Cash flow information

Reconciliation of net expenditure to net cash flow from operating activities

	2017 £'000	2016 £'000
<i>Net expenditure for the reporting period</i>	(2,437)	(6,067)
Adjustments for:		
Depreciation of fixed assets	1,353	1,022
Loss/(Profit) on disposal of fixed assets	15	(14)
Interest received	188	139
Interest paid	(138)	(141)
Increase in intangibles	(19)	(18)
Decrease/(Increase) in investments	142	(371)
Decrease/(Increase) in stock	18	(9)
Decrease/(Increase) in trade receivables	47	(3,090)
Increase in trade payables	1,493	199
FRS102 defined benefit pension contributions	(1,466)	(1,396)
Amounts related to the defined benefit pension scheme included within the statement of financial activities	(1,074)	1,839
Increase/(Decrease) in provisions	459	(265)
<i>Net cash used in operating activities</i>	(1,419)	(8,172)

Reconciliation of net cash flow to movement in net funds

	2017 £'000	2016 £'000
Increase/(Decrease) in cash and cash equivalents in the year	7,591	(12,655)
Decrease in liquid resources	(10,219)	(346)
Movement in net funds	(2,628)	(13,001)
Net funds at start of period	22,535	35,536
Net funds at period end	19,906	22,535

Analysis of net funds

	2016 £'000	Cash flow £'000	2017 £'000
Cash at bank and in hand	9,139	7,591	16,730
Short term deposits	13,395	(10,219)	3,176
Net funds	22,535	(2,628)	19,906