

Amnesty International Limited

(a company limited by guarantee)

Report and financial statements for the year ended 31 December 2016

Company No: 1606776

Contents

Section	Page
Legal and Administrative details	2
Report of the Directors	3
Independent Auditor's Report to the Members of Amnesty International Limited.....	16
Consolidated Statement of Financial Activities.....	18
Balance sheets.....	19
Consolidated Cash Flow Statement	20
Notes to the financial statements	21

Legal and Administrative details

Directors:	Vincent Adzhalie-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 Andre Banks (Co-opted member) Carolyn Hardy (Co-opted member) 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:	HSBC Bank plc 74 Goswell Road London EC1V 7DA
Auditors:	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH

Report of the Directors for the year ended 31 December 2016

The directors present their report on the affairs of the Group, which includes the Strategic Report, together with the financial statements and auditor's report for the year ended 31 December 2016. The information required in a directors' report is included in the Strategic Report. The Group consists of Amnesty International Limited and its subsidiaries ("Amnesty International"), details of which are provided in note 18 to the financial statements. Operationally, the Group is referred to as Amnesty International International Secretariat ("the IS").

Strategic Report

1. Structure, Governance and management

1.1 Organization structure

The IS is accountable to the Board through the Secretary General. The IS is funded principally by Amnesty International's sections for the purpose of furthering the work of Amnesty International on a worldwide basis. During the year the work of the IS was undertaken principally through two United Kingdom registered companies: Amnesty International Limited ("AIL") and Amnesty International Charity Limited ("AICL"). AICL is a wholly owned subsidiary of AIL.

During the year ended 31 December 2016, in view of AIL's experience and resources to carry out human rights work, AICL provided grant funding to AIL for AIL to carry out charitable activities on its behalf under the terms of a memorandum of understanding which took effect on 1 January 2013. The memorandum of understanding regulates the grant relationship between the two entities and includes appropriate controls and restrictions on the use of AICL funds by AIL for the furtherance of AICL's charitable objects.

Overseas offices

AIL carries out operations from its London office, as well as through a number of overseas offices that it controls as branches. These are located in: Beirut, Dakar, Geneva, Johannesburg, Kiev, Moscow, Nairobi, New York, and Paris. During 2015, the IS obtained legal registration (as branches of AIL) in Peru, Israel/OPT, Thailand and Washington USA. Operations in these locations commenced during 2016.

AIL carries out operations in Hong Kong through Amnesty International Asia-Pacific Regional Office Limited, a company incorporated in Hong Kong, (registered in 1990) and a wholly owned subsidiary of AIL.

AIL carries out operations in Mexico through Oficina Regional de Amnistía Internacional - a local association, affiliated to the IS by way of AIL's corporate membership of the association.

AIL also operates two international language resource entities, one in France and one in Spain. Centre de Ressources Linguistiques d'Amnesty International – Unité Chargée de la Langue Française (AILRC-Fr) is an association registered in France in 1986 which is controlled by AIL. Centro de Lenguas de Amnistía Internacional, a company incorporated in Spain, was formed in 1986 and is a wholly owned subsidiary of AIL. Both entities translate and distribute Amnesty International publications in the relevant language and form part of the wider Amnesty International Language Resource Centre.

In September 2015, the IS assumed legal control of Amnesty International – European Association, a Belgian international not for profit association. AIL is a member of the association.

Strategic Report (continued)

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.

The members (guarantors) are the elected members of the International Board (“the Board”) of Amnesty International, individuals who are elected by representatives of the country sections of Amnesty International at the biennial International Council Meeting (“ICM”), in accordance with the Statute of Amnesty International. The members are elected for a four year term.

The Board is responsible for agreeing policy and approving operational plans and budgets and ensuring these are implemented. New Board directors 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 International Secretariat is responsible for identifying the general training needs for the entire Board as well as actioning specific requests for training from individual Board members.

Directors 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.

1.3 Management

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

The activities of the Group are managed by the Secretary General, supported by a Senior Leadership Team (SLT) and approximately 550 staff.

The strategic direction of the group is decided through voting at the biennial ICM, a consultation of all Amnesty International Sections.

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 therefore 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, Amnesty International'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.

Strategic Report (continued)

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

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

In this context, Amnesty International's vision of a world in which every person enjoys all of the human rights¹, is more relevant than ever.

In accordance with the articles of association our mission is to undertake research and action, focused on preventing and ending grave abuses of these 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.

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

To achieve lasting progress worldwide, we ensure that we always:

- Analyse why human rights abuses happen, guided by the people whose rights are violated
- Identify the most effective ways to create change
- Confront and expose states, corporations and institutions that violate rights
- Act quickly and effectively to support prisoners of conscience and people facing injustice
- Innovate to achieve the most powerful impact
- Put equality and especially gender equality at the heart of our work and we will protect the rights of groups who are discriminated against on multiple grounds
- Remain ready to change in the face of new challenges
- Work with partners who share our determination
- Support people to claim the human rights that we all share.

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

Strategic Report (continued)

4. Achievements and Performance

The **Strategic Goals 2016 – 2019** outline our aims through thirteen outcomes in five key strategic 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

The Goals are delivered through an international projects portfolio as well as individual operational plans of Amnesty International national entities in 66 countries.

In 2016, 69% of our resources was dedicated to the delivery of the five goals (excluding grant expenditure), which is slightly less than the originally set parameters of at least 80% of our work globally to be within the key strategic areas.

Expenditure per Goal

Enabling all Goals	4,266,000
Ongoing	5,653,000
Reactive	1,442,000
SG 1	5,626,000
SG 2	4,084,000
SG 3	5,458,000
SG 4	5,762,000
SG 5	4,908,000
<hr/> Grand Total	<hr/> 37,199,000

Strategic Report (continued)

4. Achievements and Performance (continued)

The ability to achieve our goals is dependent upon many factors, including being granted access to relevant countries and territories. This at times limits our ability to take forward planned pieces of work. Achievements are also often dependent on action being taken by other players, such as governments or regional and international bodies, which are beyond our control. Most of our work is long term, and involves a complex network of Amnesty International offices in different regions and sub-regions, national entities and local partners worldwide.

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 International has developed an Impact and Learning system through which we monitor and evaluate our work at national, regional 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.)

To be more accountable for how we utilise our resources and to keep track of our portfolio, we monitor our projects on a quarterly basis. Even though we are progressing with the delivery of our work, the external context in which we operate remains challenging.

Successes across Goals

Overall as a movement, we had 350 significant achievements in tackling human rights violations. We were especially successful with national governments, where over 55% of these achievements meant a tangible action to resolve a human rights violation. This means that despite challenging environments and difficult political contexts across regions, our organisation was able to effect substantive change in many areas.

We also had a tremendous success with one of our flagship campaigns - Write for Rights, which attracted over 4.6 million actions worldwide; the best result we've had thus far!

More information about the results of our work is shared below.

GOAL 1 – Reclaiming freedoms

The preliminary analysis of impact achieved in 2016, shows that the growing backlash against human rights is affecting our ability to influence targets and to engage effectively with the public. This is seen in our work on **Strategic Goal 1**, where emerging trends paint a mixed picture across regions as a result of intensifying crackdowns on civic spaces in key countries. That said, all regions showcase successes in individual cases. To name a few examples, West Africa reports a total of 68 releases in five different countries. Significant numbers and/or high profile releases were also reported in Eastern and Southern Africa (e.g. the Angola 17, the case of Congolese young activists Fred Bauma and Yves Makwambala, a success directly linked to Amnesty's global letter-writing campaign Write for Rights). In the Americas we saw the release of seven land and environmental defenders in Guatemala. In this case, taking a non-threatening, ongoing advocacy approach with government officials during the research phase and attending trials was key to the outcome.

There are also positive developments linked to the sophistication of approaches to mobilise, equip and connect Human Rights Defenders and activists, stemming from within civil society and from the Amnesty movement. A range of innovative or agile work has been implemented to help legitimise movements as they emerge or expand especially in Asia and Africa. Two examples include: during Taiwan's 'sunflower movement', Amnesty's briefings, public statements and national advocacy on the rights of the protestors and responsibilities of the government provided the legal basis for the incoming administration's rejection of the prosecution of protesters. Amnesty South Korea's 'ghost demonstration' using holograms

Strategic Report (continued)

to protest the shrinking space for peaceful protests generated public debate and led to a reduction in police harassment of protesters, including less aggressive policing in recent large scale demonstrations in Seoul against President Park.

GOAL 2 – Securing equal rights for all

On **Strategic Goal 2** we see progress toward our aims, primarily around challenging discrimination against minorities and empowering rights holders to claim their economic and social rights, including enactment of legislative changes and public commitment from governments to resolve violations. Effectiveness in this work has been mostly driven by a combination of national level advocacy with strong local partnerships and effective use of institutional levers for change where opportunities arose.

For example, Amnesty International's unique contribution to exposing labour exploitation of Migrant Workers in the Gulf propelled the Qatari government to enact legislation that now makes clear its recognition of labour abuse and states a desire to fix the problem. In Nigeria, we contributed to getting the Governor of Rivers State to reverse its plans to forcibly evict 17 water front communities, and in Malawi, following our report Malawi: "We are not animals to be hunted or sold", the government took concrete action to address widespread discrimination against People with albinism. Key to this success was the strong media campaign sponsored by Amnesty with widespread back up from local, regional and international civil society, which was crucial to magnifying the problem and instrumental in generating a quick response.

Successes protecting minorities from discrimination were also seen in Norway, where Amnesty saw the passing of a new healthcare law (allowing transgender people to self-declare their own gender free of any medical assessment or procedures), and in Denmark, where trans identities were depathologised.

GOAL 3 – Responding to crises

Progress toward **Strategic Goal 3** aims was among the most challenging in 2016. Entrenched and (re-) emerging conflicts and the ongoing refugee crisis resulted in fewer clear positive trends. Successes mainly emerged when documenting and communicating abuses many of which are otherwise unheard and unreported; when achieving 'wins' for specific individuals or groups in particular cases; and when finding, or opening, cracks in otherwise negative political circumstances through advocacy.

For example, Amnesty International had significant input in the actions that led to the highly symbolic Supreme Court judgement in Papua New Guinea to close the Australian-run migrant detention center on Manus Island, and it also played a very significant role in stalling and obstructing the implementation of the EU-Turkey migration deal. Other successes when protecting people affected by conflict took place in Iraq, where hundreds of detainees were released following Amnesty International's intervention, and in Cameroon, where we contributed to the release of 84 children illegally detained for more than six months after a raid on Koranic schools.

Amnesty also made an important contribution towards greater accountability for the impact of weapons during crisis and conflict situations in the case of arms transfers to Yemen. Indeed, following extensive research on violations and munitions and extensive advocacy and campaigning as part of a coalition that Amnesty helped convene, we were able to exert some influence on key actors such as the US and UK to consider their arms transfers. Also in Yemen, we contributed to the release of all but 3 of the 65 Baha'i detainees in August 2016. The detentions of Bahá'ís on account of their faith violate Yemen's obligations under international law and appear to be part of a wider crackdown on minorities by the Huthi authorities.

GOAL 4 – Ensuring accountability

Mixed results have been achieved on **Strategic Goal 4**, with significant positive developments in some areas, particularly in combating torture by working to establish safeguards for those in detention and other elements of criminal code reform, but a regression in many others, particularly around pervasive impunity for abuses, by security forces and other state actors, despite our efforts to advance work in this area and to support national organizations in their calls for justice.

Strategic Report (continued)

For example, in Mexico, the report and campaign ‘Surviving Death: Police and Military Torture of Women in Mexico’ was launched following a non-traditional research methodology which contributed to far-reaching media and advocacy gains. Seeking accountability for abuses by security forces has been a focus of work in the Middle East and North Africa region, with progress seen in Tunisia where authorities were forced to recognize, during a session at Tunisia’s review before the UN Committee against Torture, that torture remains a problem in the country and there is a need for security reform. In several instances Amnesty has been able to use transitional movement to see gains on long-standing calls. This was particularly apparent in the Central African Republic where some small progress has been made on accountability following successful elections this year.

Amnesty also facilitated significant achievements in the area of corporate accountability, in large part through our influence in the development of laws requiring due diligence on the part of companies in monitoring human rights in their supply chains. For example, broad industry consensus was achieved to take action in relation to human rights due diligence in cobalt supply chains (linked to child labour in the DRC). Steps are being taken in this respect by companies such as Huayou, Apple and Samsung SDI.

GOAL 5: Maximising our resources and engagement

There were positive trends in work related to **Strategic Goal 5** with progress in fundraising, improvements in monitoring global growth targets, and strengthened partnerships and engagement with rights holders and human rights activists. Building on our strengths (capacity for mass mobilisation, credibility of our norms-based, international human rights approach to advocacy), coupled with a flexible approach to work and agility to adapt to new / non-traditional audiences has been key to the progress in this area.

For example, our Regional Offices are refining approaches to active participation, involving partners and rights holders more systematically and consistently, and rendering this engagement more meaningful by forming international networks, or engaging rights holders through more hands-on and empowering methods (e.g. through training of trainers programmes within communities or by directly involving families of affected communities in the work we do (e.g. in the Americas and West Africa). Another example can be found in the East Asia region, where a new initiative (the “Digital Newsroom” model) significantly modified ways of working so as to integrate an emphasis on audiences and messaging from the initiation of any project.

Research and campaigning methodologies are increasingly focused on engaging and empowering communities and individuals whose rights are violated or at risk. For example, in the Americas, research work on unlawful police killings in Jamaica brought the female relatives of men killed by the police together into an emerging support group. In the Nicaragua canal work, Amnesty worked directly with communities, rather than going through mid-level organisations.

In terms of results of our mobilisation efforts, the 2016 Write for Rights campaign attracted a record number of actions - **4,649,971 in total**, increasing the overall number of actions by over 24% compared with 2015. Almost 60% of entities saw an increase in their previous year’s numbers. We also know that at least 1.4 million people took part in the campaign this year, though in all likelihood that number is far higher. In this and many other global and regional initiatives we have been developing more focused digital engagement strategies, or offline activism plans, to ensure the widest possible reach of priority initiatives to attract and engage new audiences in the fight for positive human rights change.

5. Fundraising

The majority of IS income comes from grants made by local entities of Amnesty International (“sections”) across the globe, which is supplemented by external fundraising activities and donations. The Fundraising and Engagement Directorate at the IS supports Amnesty International sections worldwide to increase their own income through fundraising capacity building and the provision to some entities of grants for fundraising investments.

Strategic Report (continued)

A new assessment framework, the Distribution Model, has been implemented from 2016. The assessment framework is the system by which we calculate the contribution from Amnesty International national entities to ALL's budget. We believe this new system facilitates the long term growth of the organisation globally.

Proceeds from the sale of one of the IS's London office buildings in 2015 has been invested in certain Amnesty International entities' fundraising growth plans through our FIF (Fundraising Investment Fund) grant mechanism. These investments help achieve 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 the IS benefits from those investments through entities' increased contributions ("assessment") to its budget.

6. Plans for future periods

In 2017, Amnesty International will continue its collective efforts towards the delivery of the Strategic Goals, to be delivered by 2019. 2017 will be the second year of the 'I Welcome' global campaign focused on refugees' rights (contributing towards Goal 3), and the year of launching a new global campaign related to Human Rights Defenders (Goal 1). All Amnesty International entities will be asked to contribute towards the successful delivery of these campaigns. The organisation will also commit more resources towards work on Economic Social Cultural Rights and continue its work on gender equality and women's rights (Goal 2).

The international projects portfolio will be evaluated and further developed through a global operational planning process. Further improvements will be made in project management methodology and capability across the organisation, with a Portfolio Management Office established to improve oversight of our global project portfolio, and even more effective tracking of project delivery.

During the International Council Meeting in August 2017, hundreds of representatives from all Amnesty International entities will meet to discuss our key human rights policies and governance model amongst other issues critical for the Amnesty International movement. The aim is that a revised governance arrangement will make AI better fit for effective delivery of Human Rights work in a rapidly changing context while staying true to the hallmark features of AI governance in terms of internal democratic systems and inclusive decision making.

7. Grant making policy

The Group 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 and fundraising investments. Grants payable to other Amnesty International entities are made in line with the Group's strategic objectives. The Group 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 a worker would. Volunteers typically commit to volunteer between two and three days a week for a minimum 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.

Strategic Report (continued)

Interns

Interns join the organisation as a fixed term employee. They undertake a programme of work and development that supports Amnesty'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

The Group has established an equal opportunities policy which covers people with disabilities; efforts continue to be made to provide adequate facilities for these individuals. The Group 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 our work undertaken to improve our policies and practices relating to Equality, Diversity and Inclusion (EDI). Included in this is a focus on how we attract, recruit and retain disabled persons.

10. Employee involvement

The Internal Communications function leads on and delivers the Internal Communications Strategy across the IS. The priority for this strategy focuses on people engagement to ensure that people feel supported, informed and involved in decisions about their work and their roles – and that their experience of working in the IS is positive. Priorities are set and measured using the biennial IS engagement survey which for 2016 included improvements to how our people work together and collaborate, keeping connected with colleagues across the IS in all our locations and a modern, efficient and creative workplace. To enable improvements identified by the survey, the team works closely with the People and Organizational Development function, the Senior Leadership and management teams to deliver frequent, timely and informative communications.

Internal Communications also complements the work undertaken with the Union to enhance people engagement. Weekly all staff email communications have been replaced with a new IS intranet launched in 2016 to strengthen communication, culture and collaboration, generating features on the latest news and developments. This is complemented by a range of internal meetings and events, including monthly updates on financial performance to ensure there is a common understanding about how our funds are being used and to ensure greater financial awareness.

11. Financial review

The results for the Group show net movement in funds of £6,067,000 (2015: net incoming resources of £11,780,000).

The Group is principally funded by contributions from country sections as assessed by the International Council. Excluding the profit on disposal received in 2015, as a one-off exceptional item, incoming resources have increased to £68,407,000 (2015 - £58,198,000) mainly due to an increase of contributions from Amnesty International Sections.

Total resources expended were £72,605,000 (2015 - £56,786,000) including restructuring costs incurred in the year of £1,885,000 (2015 - £1,936,000) 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 Operational Plan for the two years ended 31 December 2016, as approved by the International Executive Committee (now the Board).

The Group has net current assets of £19,434,000 as at 31 December 2016 (31 December 2015: £30,330,000). The Group has unrestricted funds totalling £28,112,000 at the balance sheet date (31

Strategic Report (continued)

December 2015: £34,093,000). Net cash outflow from operating activities for the year was £8,172,000 (2015: outflow of £3,764,000). The Group has net funds of £22,535,000 as at 31 December 2016 (31 December 2015: £35,536,000).

During the year AIL donated £1,000,000 (2015: £4,457,748) to the Charity under the Gift Aid scheme. 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.

	January - December 2016	January - December 2015	January - December 2014 restated	January - December 2013	January - December 2012
Total Donations and legacies	£67,722,000	£55,954,000	£60,679,000	£58,437,000	£54,507,000
Net current assets	£19,434,000	£30,330,000	£16,809,000	£6,164,000	£5,038,000

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 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 2016, 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 2016.

13. Principal risks and uncertainties

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

The Group risk register is reviewed 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 highest risks facing the organisation are identified and documented in the Group 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.

Key risk areas in 2016 included the following:

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 developing an improved data collection and analysis system to ensure resources are allocated to those areas with the greatest return on investment.

Quality assurance

Errors in the Group's research or advocacy outputs would impact reputation and future effectiveness in exploiting advocacy opportunities. Mitigations include staff induction and training, increasing research support and actively managing the review process.

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.

Financial risks

The Group is dependent upon voluntary income from other Amnesty International member entities and from third party donors to adequately fund core human rights work. The Group 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 17 valuation of the ALL defined benefit pension scheme as at 31 December 2016 supplied by ALL's actuaries showed a deficit figure of £3,103,000 (31 December 2015 £2,660,000).

The FRS17 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). The Group is currently making annual contributions of £1,329,000, increasing by 5% per year, as agreed with the Trustees of the pension scheme, to eliminate this shortfall. The next full actuarial valuation will be carried out in 2017.

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 2016 the Group's free reserves were £7,280,000 (31 December 2015: £7,261,000) and the Company's free reserves were £4,216,000 (31 December 2015: £831,000). 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 £14,998,000 (2015: £11,175,000) for the Group and £14,682,000 (2015: 10,908,000) for the Company, as disposal of these assets would adversely affect the Group's operations.

In addition to the free reserves, the directors have agreed to designate funds of £7,803,000. £1,635,000 are to be used to fund Global Transition Programme expenditure, and are expected to be utilised during 2017. £6,168,000 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;

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

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 the Group has been set at between £5.4m and £9.6m.

16. Going concern

We have set out above a review of financial performance and the Group'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 the Group to continue in operational existence for the foreseeable future. The directors believe that there are no material uncertainties that call into doubt the Group's ability to continue. The accounts have therefore been prepared on the basis that the Group 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 has expressed its willingness to continue as auditor for the next financial year.

Statement of directors' responsibilities

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

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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



Greg Marsh
Director
18 September 2017

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

We have audited the financial statements of Amnesty International Limited for the year ended 31 December 2016 which comprise the Consolidated Statement of Financial Activities, incorporating the Income and Expenditure Account, the Group and Parent Company Balance Sheet, the Group Cash Flow Statement and the related notes numbered 1 to 33.

The financial reporting framework that has been applied in their preparation is applicable law and FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic Report, the Directors' Report and any other surround information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2016 and of the group's loss for the year then ended;
- have been properly prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Opinion on other matter prescribed by the Companies Act 2006

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

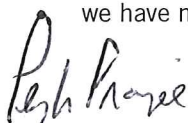
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its 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 where 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:



Pesh Framjee

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

London

20/9/2017

Consolidated Statement of Financial Activities (Incorporating the Income and Expenditure Account) For the year ended 31 December 2016

		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds 2015 (Restated)
	Notes	2016 £'000	2016 £'000	2016 £'000	2015 (Restated) £'000
Income					
Donations and legacies	5,6	63,676	4,046	67,722	55,954
Charitable activities	7	293	-	293	1,081
Other trading activities		160	-	160	70
Investments	8	232	-	232	1,093
Total incoming resources before exceptional income		64,361	4,046	68,407	58,198
Exceptional income ¹		-	-	-	10,103
Total incoming resources after exceptional income		64,361	4,046	68,407	68,301
Expenditure					
Raising funds	9	7,099	-	7,099	1,463
Charitable activities	9	59,489	4,132	63,621	53,387
Restructuring costs	9	1,885	-	1,885	1,936
Total outgoing resources on operating activities		68,473	4,132	72,605	56,786
Net (outgoing)/incoming resources before and after other recognised gains and losses		(4,112)	(86)	(4,198)	11,515
Net losses on foreign exchange		(103)	-	(103)	(647)
Net (expenditure)/income		(4,215)	(86)	(4,301)	10,868
Other recognised gains and losses					
Actuarial (losses)/gains	14	(1,766)	-	(1,766)	912
Net movement in funds		(5,981)	(86)	(6,067)	11,780
Reconciliation of Funds					
Total funds brought forward		34,093	86	34,179	22,399
Total funds carried forward		28,112	-	28,112	34,179

All activities are continuing.

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

The Company's net outgoing resources for the year ended 31 December 2016 totalled £2,916,000 (2015: outgoing resources of £6,502,000).

The notes on pages 21 to 51 form part of these financial statements.

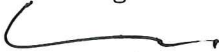
¹The exceptional income relates to profit on disposal of 25–28 Easton Street (land and buildings) in 2015.

Consolidated Balance Sheet as at 31 December 2016

Company no: 1606776

	Notes	Group		Company	
		Dec-16 £'000	Dec-15 £'000	Dec-16 £'000	Dec-15 £'000
Fixed assets					
Tangible assets	17	14,998	11,175	14,682	10,908
Intangible assets		18	-	-	-
Investments	17,18,19	1,541	1,170	508	406
Total fixed assets		16,557	12,345	15,190	11,314
Current assets					
Stocks	20	18	9	-	-
Debtors: amounts falling due within one year	21	7,515	2,507	7,563	2,809
Debtors: amounts falling due after one year	21	1,878	3,796	1,746	3,787
Short term investments		13,395	13,742	13,395	13,743
Cash at bank and in hand	22	9,139	21,794	5,276	14,627
Total Current Assets		31,945	41,848	27,980	34,966
Creditors: amounts falling within one year	23	(12,511)	(11,518)	(10,750)	(10,929)
Net current assets		19,434	30,330	17,230	24,036
Total assets less current liabilities		35,991	42,675	32,420	35,351
Creditors: amounts falling due after more than one year	24	(3,150)	(3,945)	(3,142)	(3,164)
Provisions for liabilities and charges					
Provisions	26	(1,626)	(1,891)	(1,438)	(1,872)
Defined benefit pension scheme liability	14	(3,103)	(2,660)	(3,103)	(2,660)
Net assets		28,112	34,179	24,737	27,654
Funds:	27				
Unrestricted funds excluding pension reserve		8,414	8,295	5,355	1,863
Designated funds - fixed assets		14,998	11,175	14,682	10,908
Designated Fund - London Office and Fundraising		6,168	15,260	6,168	15,260
Designated funds -Global Transition Project		1,635	2,023	1,635	2,023
Pension reserve	14	(3,103)	(2,660)	(3,103)	(2,660)
Total unrestricted funds		28,112	34,093	24,737	27,394
Restricted funds		-	86	-	260
Total funds		28,112	34,179	24,737	27,654

The financial statements were approved and authorised by the Board of Directors on 18 September 2017 and signed on their behalf by


Greg Marsh, Director.

The notes on pages 21 to 51 form part of these financial statements.

Consolidated Cash Flow Statement for the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
Cash used in operating activities	33	(8,172)	(3,764)
Cash inflows/outflow from Investing activities			
Purchase of tangible fixed assets		(4,831)	(762)
Cash received on acquisition of subsidiary		-	878
Interest received		(139)	(1,093)
Proceeds on Disposal of Fixed Assets		-	16,537
Net cash (used in)/provided by investing activities		(4,970)	15,560
Cash flows from financing activities			
Raising of loans		-	(2)
Capital element of finance lease rental payments		-	(4)
Interest paid		141	67
Cash used in financing activities		141	61
(Decrease)/increase in cash & cash equivalents		(13,001)	11,857
Cash & cash equivalents due to exchange rate movements			
Currency translation difference in fixed assets		-	25
Gain on revaluation of loans from Sections		-	647
Cash & cash equivalents as at beginning of year		35,536	23,007
(Decrease)/increase in cash & cash equivalents		(13,001)	11,857
Total cash & cash equivalents as at end of year		22,535	35,536

The notes on pages 21 to 51 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2016

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 ODW. 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.

During the period the company reviewed its presentation of income in respect of Section income. This has previously been presented in income as the foreign currency amount receivable measured at the foreign exchange rate at the beginning of the financial year. When the Section income is received any differences between the amount recognised as income and the actual value of the section income has been recognised as a gain or loss arising from foreign currency. In the opinion of the Board this is more appropriately presented as an adjustment to the actual income recognised and this approach has been applied in the current period resulting in an increase in section income of £5,204,000 and a reduction in foreign exchange gains or losses. The comparative income and foreign exchange gains have been amended for consistency of presentation resulting in a decrease in Section income of £1,620,000 with a corresponding adjustment to the foreign exchange gains or losses.

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 the Company 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) and Centre for the Protection of Human Rights and Social Justice of Amnesty Intl Nigeria (AI Nigeria) have been consolidated into these Group financial statements. The accounting reference date of the Company and its subsidiaries is 31 December.

AIL assumed legal control of the Nigeria Section (Centre for the Protection of Human Rights and Social Justice of Amnesty Intl Nigeria) during 2016 and the post-acquisition results consolidated into the 2016 group financial statements, using the acquisition method of accounting.

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

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, Tunisia 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 Amnesty International and its subsidiaries 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

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.

Incoming resources

Assessment income

From 2016, a new assessment framework, the Distribution Model, was implemented. The model had been agreed at the 2015 ICM. 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.

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.

3 Accounting policies (continued)

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.

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 Group 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 and 2016 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.

3. Accounting policies (continued)

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.

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	Motor vehicles	- 5 years

3. Accounting policies (continued)

Leased assets

Operating lease rentals are charged to expense on a straight line basis over the term of the lease. Tangible fixed assets acquired under finance leases are included in the balance sheet at their equivalent capital value and are depreciated over the shorter of the lease term and their useful life. The corresponding liabilities are recorded as a creditor and the interest element of the finance lease rentals is charged to the income statement over the period of the lease to produce a constant rate of charge on the balance of capital repayments outstanding.

Investments in subsidiaries and other companies

Investments in subsidiaries and other companies are shown in the Company balance sheet at historical cost.

Investments 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.

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.

3. Accounting policies (continued)

Debtors

Prepayments and other debtors are recognised at the settlement amount due to the IS 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 IS 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 23 for further information.

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.

4 Consolidated Statement of Financial Activities showing Prior Year Funds (Incorporating the Income and Expenditure Account) For the year ended 31 December 2016

	Unrestricted Funds 2016 £'000	Restricted Funds 2016 £'000	Unrestricted Funds 2015 £'000	Restricted Funds 2015 £'000
Income				
Donations and legacies	63,676	4,046	48,931	7,023
Charitable activities	293	-	1,081	-
Other trading activities	160	-	70	-
Investments	232	-	1,093	-
Total income resources before exceptional income	64,361	4,046	51,175	7,023
Exceptional income	-	-	10,103	-
Total incoming resources after exceptional income	64,361	4,046	61,278	7,023
Expenditure				
Raising funds	7,099	-	1,463	-
Charitable activities	59,489	4,132	45,498	7,889
Exceptional restructuring costs	1,885	-	1,936	-
Total resources on operating activities	68,473	4,132	48,897	7,889
Net (outgoing)/incoming resources before other recognised gains and losses	(4,112)	(86)	12,381	(866)
Net losses on foreign exchange	(103)	-	(647)	-
Net (expenditure)/income	(4,215)	(86)	11,734	(866)
Actuarial (losses)gains	(1,766)	-	912	-
Net movement in funds	(5,981)	(86)	12,646	(866)
Fund balances brought forward	34,093	86	21,447	952
Fund balances carried forward	28,112	-	34,093	86

5 Segmental Analysis

The directors are of the opinion that the Group and the Company have 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

	2016				2015			
	Europe	Americas	Rest of World	Total	Europe	Americas	Rest of World	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Donations and Legacies	52,172	11,459	4,091	67,722	45,883	6,978	3,093	55,954

6 Donations and Legacies

	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2016	2016	2016	2015
	£'000	£'000	£'000	£'000
Contributions from sections (net of provisions)	59,984	-	59,984	47,372
Additional voluntary contributions from sections	2,120	647	2,767	2,103
Donations	1,572	3,399	4,971	6,479
Total Donations and legacies	63,676	4,046	67,722	55,954

Contributions from Sections are stated net of provisions against income of £321,000 (2015: £3,594,000).

7 Charitable Activities

	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2016	2016	2016	2015
	£'000	£'000	£'000	£'000
Sales of Campaign Materials	37	-	37	90
Gain on Acquisition of EIO	-	-	-	885
Gain on Acquisition of AI Nigeria	102	-	102	-
Translation Services	154	-	154	106
Total Charitable Activities	293	-	293	1,081

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 2016 £'000	Restricted Funds 2016 £'000	Total Funds 2016 £'000	Total Funds 2015 £'000
Gain on revaluation of Hong Kong Building Investment Property	-	-	-	998
Interest income	232	-	232	95
Total Charitable Activities	232	-	232	1,093

9 Resources expended

	Notes	Grants payable Note 10 2016 £'000	Direct costs 2016 £'000	Total Funds 2016 £'000	Total Funds 2015 £'000
Expenditure on raising funds					
Grant fundraising and translation		5,007	2,092	7,099	1,463
Taxation		-	-	-	-
Total expenditure on raising funds		5,007	2,092	7,099	1,463
Expenditure on Activities					
Research and publications		288	26,340	26,628	19,993
Campaigning		9,531	10,236	19,767	20,247
Support	11	-	15,601	15,601	10,959
Governance	12	-	1,625	1,625	2,188
Total activities		9,819	53,802	63,621	53,387
Restructuring costs		-	1,885	1,885	1,936
Total expenditure		14,826	57,779	72,605	56,786

Amnesty International Limited is liable for corporation tax on investment income received during the year. The Company 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 £1,885,000 in relation to the reorganisation of the IT, Strategy Evaluation, Europe and Central Asia, Asia, Africa, Campaigns and communications and Global Thematic Issues 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 £14,826,000 (2015: £9,306,000). At the balance sheet date, the Group had awarded and communicated but not yet paid grants to the value of £4,013,000 (2015: £2,377,000): these grants were awarded to fund 2017 activity but have been included in 2016 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
	2016	2016	2016	2016	2015
	£'000	£'000	£'000	£'000	£'000
Salaries and employment benefits	2,139	2,882	768	5,789	4,896
Occupancy costs	643	867	231	1,741	1,359
Professional fees	701	945	252	1,898	2,368
Information technology costs	643	867	231	1,741	1,095
Administration costs	67	91	24	182	256
Depreciation	289	389	104	782	995
Insurance	275	370	99	744	756
Other costs	997	1,341	357	2,695	(766)
Publication costs	10	14	5	29	-
	5,764	7,766	2,071	15,601	10,959

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 number of staff engaged in each area. Other costs include the interest paid/ (received) on the defined benefit pension scheme.

12 Governance Costs

	Direct Costs	Total	Total
	2016	2016	2015
	£'000	£'000	£'000
Salaries and employment benefits	1,036	1,036	1,076
Occupancy costs	1	1	4
Professional fees	75	75	186
Information technology costs	11	11	1
Administration costs	267	267	6
Depreciation	231	231	608
Insurance	-	-	1
Other costs	4	4	306
	<u>1,625</u>	<u>1,625</u>	<u>2,188</u>

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:

	2016	2015
	£'000	£'000
Salaries	28,099	24,420
Redundancy costs	1,039	715
Social security costs	3,154	2,658
Employer pension contributions	2,717	2,298
Staff recruitment, training and welfare	1,711	1,660
	<u>36,720</u>	<u>31,751</u>

The average number of persons employed by the Group during the year was 551 (2015: 540).

	2016	2015
Fundraising	23	16
Research and Regions	153	189
Campaigning and Communications	233	196
Governance	24	23
Support	118	116
	<u>551</u>	<u>540</u>

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

	2016	2015
UK	362	380
Overseas	189	160
	<u>551</u>	<u>540</u>

13 Employees and Directors (continued)

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 was:

	Staff paid including redundancy payment	Staff paid excluding redundancy payment	Total for 12 months ended 31 Dec 2016	12 months ended 31 Dec 2015
60,000 – 69,999	6	59	65	38
70,000 – 79,999	4	25	29	19
80,000 – 89,999	3	9	12	7
90,000 – 99,999	1	5	6	2
100,000 – 109,999	2	5	7	8
110,000 – 119,999	-	1	1	2
120,000 – 129,999	2	1	3	1
130,000 – 139,999	1	-	1	0
160,000 – 169,999	-	-	-	1
200,000 – 209,999	-	1	1	-

The above numbers include a number of long-serving staff who received redundancy payments in 2015 and 2016, as a result of the Global Transition Programme.

The aggregate value of contributions paid to the pension scheme in respect of the staff disclosed in the above table amounted to £813,790 (2015: £629,053). This number also includes redundancy pay paid as pension during the year.

The disclosures above include the total of the annual salaries of the eight IS key management personnel, the Senior Leadership team, which as of 31 December 2016 was £876,359. This excludes £207,499 remuneration paid to the Secretary General who also received £21,918 paid to the pension scheme (an increase from 2015 where the Secretary General took a sabbatical for 3 months). 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.

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 2016 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.

13 Employees and Directors (continued)

Transactions with Directors

Expenses for travel related expenditure of £55,491 were paid to 13 Directors (2015: £52,087 to 12 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	2016
	£
Guadalupe Rivas	8,943
Mwikali Muthiani	2,389
Nicole Bieske	7,060
Paul Divakar Namala	2,829
Rune Arctander	2,029
Sarah Beamish	4,108
Vincent Adzahlie-Mensah	15,084
Carolyn Hardy	5,302
Jacco Smit	2,846
Shahram Hashemi	2,630
Andre Banks	2,271

14 Pension arrangements

The Company 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 Company. The Company's contributions in the year were £2,111,271 (2015: £2,298,753).

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 pensions 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 £1.466 million are expected to be paid by the Employer to the Scheme during the year ending on 31 December 2017.

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.

14 Pension arrangements (continued)

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

	At 31 Dec 16	At 31 Dec 15
	%	%
Pensions increasing in payment at CPI (max 3.0% pa)	2.0	1.8
Discount rate	2.7	3.7
Life expectancy	S2 tables projected by year of birth using CMI 2015 improvements and a and a 1% long term improvement rate	S2 tables projected by year of birth using CMI 2014 improvements and a 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:

	31 December 2016		31 December 2015	
	£'000	%	£'000	%
Equities	16,382	57.0	14,226	56.7
Property	3,883	13.5	3,778	15.1
Bonds	6,519	22.7	5,879	23.4
Cash	1,940	6.8	1,208	4.8
Total	28,724	100	25,091	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.

	31 Dec 16	31 Dec 15
	£'000	£'000
Fair value of assets	28,724	25,091
Present value of funded defined benefit obligations	(31,827)	(27,751)
Funded status	(3,103)	(2,660)
Unrecognised asset	-	-
Liability recognised on the balance sheet	(3,103)	(2,660)
Present value of unfunded defined benefit obligations	(3,103)	(2,660)

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 2016 was as follows:

	Year ended 31 Dec 16 £'000	Year ended 31 Dec 15 £'000
Financing cost: interest on net defined benefit liability	73	143
Pension expense recognised in the income statement	73	143
Asset gains arising during the year	1,963	432
Liability (losses)/gains arising during the year	(3,729)	480
Total amount recognised in other gains and losses	(1,766)	912
Total amount charged to the Statement of Financial Activities	(1,693)	1,055

Changes to the present value of the defined benefit obligation during the year

	Year ended 31 Dec 16 £'000	Year ended 31 Dec 15 £'000
Opening defined benefit obligation	(27,751)	(27,741)
Interest expense on defined benefit pension scheme	(1,014)	(963)
Actuarial (gain)/loss	(3,729)	480
Net benefits paid out	667	473
Closing defined benefit obligation	(31,827)	(27,751)

Changes in the fair value of the scheme assets during the year

	Year ended 31 Dec 16 £'000	Year ended 31 Dec 15 £'000
Opening fair value of scheme assets	25,091	22,982
Interest income	941	820
Gain on scheme assets	1,963	432
Contributions by the employer	1,396	1,330
Net benefits paid out	(667)	(473)
Fair value of scheme assets at the year end	28,724	25,091

The employer is currently expected to contribute £1,466,000 for the coming year.

14 Pension arrangements (continued)

Actual return on the scheme assets during the year

	Year ended 31 Dec 16 £'000	Year ended 31 Dec 15 £'000
Interest income on scheme assets	941	820
Gain on scheme assets	1,963	432
Actual return on scheme assets	<u>2,904</u>	<u>1,252</u>

As detailed above, the Group administers a closed defined benefit scheme and operates a defined contribution pension scheme. The total pension costs for both during the year including administration and other fees totalled £2,689,000 (2015: £2,298,000). Employer contributions outstanding at the year-end totalled £131,000 (2015: £176,000).

15 Interest payable and similar charges

	2016 £'000	2015 £'000
Group interest payable and similar charges:		
on loans from Sections	68	67
on pension finance costs	73	143
	<u>141</u>	<u>210</u>

16 Net outgoing resources

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

	2016 £'000	2015 £'000
Depreciation of tangible fixed assets	1,022	1,083
Foreign exchange losses	103	647

Auditor's Remuneration

	2016 £'000	2015 £'000
Fees payable to the group's auditors for the audit of the group's statutory accounts for the period	57	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>60</u>	<u>60</u>
Tax related services from the group's auditor	<u>2</u>	<u>2</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 2016	13,369	5,913	4,682	23,964
Currency revaluation	-	31	-	31
Additions	-	4,186	645	4,831
Disposals	-	(34)	-	(34)
At 31 December 2016	13,369	10,096	5,327	28,792
Depreciation				
At beginning of year	(4,009)	(4,730)	(4,050)	(12,789)
Charge for the year	(231)	(385)	(406)	(1,022)
Disposals	-	17	-	17
At 31 December 2016	(4,240)	(5,098)	(4,456)	(13,794)
Net book value				
At beginning of year	9,360	1,183	632	11,175
At 31 December 2016	9,129	4,998	871	14,998

Company	Freehold land and buildings £'000	Office furniture and equipment £'000	Computer equipment £'000	Total £'000
Cost				
At beginning of year	13,001	5,703	4,563	23,267
Additions	-	4,140	645	4,785
At 31 December 2016	13,001	9,843	5,208	28,052
Depreciation				
At beginning of year	(3,875)	(4,538)	(3,946)	(12,360)
Charge for the year	(229)	(375)	(406)	(1,010)
At 31 December 2016	(4,104)	(4,914)	(4,352)	(13,370)
Net Book Value				
At beginning of year	9,126	1,165	617	10,908
At 31st December 2016	8,897	4,929	856	14,682

17 Tangible fixed assets (continued)

Fixed Asset Investment

Group	Freehold land and buildings £'000	Other Investments £'000	Total £'000
Cost			
At beginning of year	1,156	14	1,170
Gain on foreign exchange	371	-	371
At 31 December 2016	1,527	14	1,541
Net Book Value			
At beginning of year	1,156	14	1,170
At 31 December 2016	1,527	14	1,541

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	Cost at Dec-16 £'000	Cost at Dec-15 £'000
Editorial Amnistía Internacional, S.L. sociedad unipersonal (EDAI)	1	19	19
Amnesty International Asia-Pacific Regional Office Limited (AIAPROL)		1	1
Amnesty International – European Association (EIO)		386	386
Centre for the Protection of Human Rights and Social Justice of Amnesty Intl Nigeria (AI NIGERIA)		102	-
		508	406

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.

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.

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.

18 Investments in Subsidiaries (continued)

Oficina Regional de Amnistía Internacional, (MEX) was registered in May 2014 as a Mexican association 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.

Centre de Ressources Linguistiques d'Amnesty International – Unité Chargé de la Langue Française (AILRC-FR) or EFAL, 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)

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).

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 in 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)

AI Nigeria Balance sheet at Acquisition date

	2016 £'000
Fixed assets	27
Cash at bank & on hand	80
Current Liabilities	(5)
Total assets	102
Reserves	102
Total Liabilities + reserves	102
Value as at 31 Dec 2016	102

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

	Incoming Resources 2016 £'000	Resources Expended 2016 £'000	Other recognised gains / (losses) 2016 £'000	Net incoming / (outgoing) resources 2016 £'000
EDAI	722	(714)	64	72
AIAPROL	2,877	(2,640)	(62)	175
AILEC-Fr	1,025	(921)	-	104
MEXICO	1,903	(1,929)	16	(10)
EIO	1,812	(1,700)	(51)	61
AI Nigeria	523	(467)	36	92

18 Investments in Subsidiaries (continued)

	Total assets 2016 £'000	Total liabilities 2016 £'000	Total Funds 2016 £'000
EDAI	488	(76)	412
AIAPROL	2,414	(1,149)	1,265
EFAI	352	(245)	107
MEXICO	231	(230)	1
EIO	814	(253)	561
AICL	1,661	(169)	1,492
AI Nigeria	236	(144)	92

Intercompany income and expenditure during the year:

	Income 2016 £'000	Expenditure 2016 £'000	Net intercompany 2016 £'000
EDAI	708	-	708
AIAPROL	2,506	-	2,506
AILEC-Fr	901	-	901
MEXICO	1,903	-	1,903
EIO	169	-	169
AICL	1,011	(4,641)	(3,631)
AI Nigeria	516	-	516

Intercompany assets and liabilities as at 31 December 2016:

	Total assets 2016 £'000	Total liabilities 2016 £'000	Total Funds 2016 £'000
EDAI	4	-	4
AIAPROL	-	-	-
EFAI	-	-	-
MEXICO	-	-	-
EIO	169	-	169
AICL	-	(169)	(169)
AI Nigeria	137	-	-

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	
	31 Dec 2016 £'000	31 Dec 2015 £'000	31-Dec-16 £'000	31-Dec-15 £'000
Finished goods	18	9	-	-

21 Debtors

Amounts shown as debtors falling due after one year comprise:

	Group		Company	
	31-Dec-16 £'000	31-Dec-15 £'000	31-Dec-16 £'000	31-Dec-15 £'000
Amounts due from Sections	1,836	3,709	1,704	3,709
Other Debtors	42	87	42	78
	1,878	3,796	1,746	3,787

Amounts shown as debtors falling due within one year comprise:

	Group		Company	
	31 Dec 2016 £'000	31 Dec 2015 £'000	31 Dec 2016 £'000	31 Dec 2015 £'000
Amounts due from Sections	5,231	576	5,537	559
Other debtors	981	806	766	1,132
Prepayments and accrued income	1,303	1,105	1,260	1,098
Forward Contract Asset	-	20	-	20
	7,515	2,507	7,563	2,809

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 ending from within the next financial year to 2019.

21 Debtors (continued)

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

	31 Dec 2016	Rate	Repayment year
	£'000		
AI New Zealand	114	LIBOR 12m + 1.25%	2017
AI Ireland	1,438	EURIBOR + 1.25%	2017
AI Poland	104	LIBOR 12m + 1.25%	2017
AI Turkey	135	2%	2016
AI Israel	199	LIBOR 12m + 1.25%	2018
AI Mexico FIF Borrower Loan	200	LIBOR 12m + 1% or 2.5% (whichever is higher)	2018
AI Taiwan FIF Borrower Loan	89	LIBOR 12m + 1% or 2.5% (whichever is higher)	2017
AI New Zealand	560	LIBOR 12m + 1% or 1.25% (whichever is higher)	2016
AI Brazil	1,052	LIBOR 12m + 1% or 2.5% (whichever is higher)	2020

22 Cash at bank and in hand

The group cash at bank and in hand was £9,139,000 (31 December 2015: £21,794,000). The substantial decrease in cash is predominantly attributable to investment of monies from the prior year property disposal in Section's fundraising activities and expenditure on the Global Transition Project.

23 Creditors: amounts falling due within one year

Amounts shown as creditors falling due within one year comprise:

	Group		Company	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	£'000	£'000	£'000	£'000
Bank Loans	55	47	-	-
Loans from Sections	1,162	369	1,162	369
Amounts due to sections	1,858	1,456	1,858	1,456
Trade creditors	779	828	602	724
Deferred income	1,315	2,980	1,315	2,980
Taxation and social security	309	227	162	134
Other creditors	1,736	829	381	491
Accruals	2,578	1,723	2,551	1,716
Grant Accruals	2,240	2,377	2,240	2,377
Forward Contract Liability	479	682	479	682
	12,511	11,518	10,750	10,929

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.

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

Movement in Deferred Income

	Opening balance	Added in year	Released to Income	Closing balance
Deferred Income	2,980	1,090	(2,757)	1,315

Deferred income comprises £208,000 in contributions received from Sections carrying a requirement that related expenditure takes place in future years; and £1,105,000 in grants from external donors where conditions for recognition have not yet been met.

Grant accruals comprise grants in respect of 2016 planned activity, which were communicated to recipients in 2015 but paid in 2016.

24 Creditors: amounts falling due after more than one year

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

	Group		Company	
	31 Dec 16 £'000	31 Dec 15 £'000	31 Dec 16 £'000	31 Dec 15 £'000
Loans from Sections	3,142	3,148	3,142	3,148
Property Deferred Consideration	-	775	-	-
Other creditors	8	22	-	16
	3,150	3,945	3,142	3,164

Creditors falling due after more than one year include £775,000 for the deferred consideration receivable on the sale of an office building in Hong Kong to the Hong Kong section. The sale will complete in 2019.

25 Creditors: amounts falling due after more than one year

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

Counterparty	31 Dec 16	Rate	Repayment year
AI Austria 2	85	EURIBOR + 1.25%	2018
AI Switzerland 1	1,592	2%	2020
AI Switzerland 2	159	0%	2019
AI Sweden	197	0%	2019
AI Belgium	853	EURIBOR + 1.25%	2020
AI Finland	256	Higher of LIBOR + 1% and 2.5%	2019

26 Provisions

Group	Restructuring £'000	Other £'000	Total £'000
At 1 January 2016	1,244	647	1,891
Released to the statement of financial activities	(1,510)	(191)	(1,701)
Charged to the statement of financial activities	1,052	384	1,436
At 31 December 2016	786	840	1,626

Company	Restructuring £'000	Other £'000	Total £'000
At 1 January 2016	1,244	628	1,872
Released to the statement of financial activities	(1,510)	(170)	(1,680)
Charged to the statement of financial activities	1,052	194	1,246
At 31 December 2016	786	652	1,438

Restructuring Provision

The restructuring provision £786,000 (2015: £1,224,000) relates to employee severance costs, which are recognised when the reorganisation of certain departments of Amnesty International Limited are formally announced by the Company. It is expected that the majority of this expenditure will be incurred in the next 12 months.

Other Provisions

Other provisions include holiday pay £824,000 (2015: £611,000) and appeals by current and former staff including backdated salary reviews £16,000 (2015: £16,000).

27 Share capital and funds

Group	Unrestricted funds £'000	Restricted funds £'000	Total £'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

27 Share capital and funds (continued)

Group restricted funds

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

	1 January 2016	Income	Expenditure	31 December 2016
	£'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.

27 Share capital and funds (continued)

Dutch Postcode Lottery

The Dutch Postcode Lottery funding is a new grant which started in April 2016 and 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. 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 runs 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

	1 January 2016	Income	Expenditure	31 December 2016
	£'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

27 Share capital and funds (continued)

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 and 2017.

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 Company's operations.

28 Operating Leases

Operating lease expensed during 2016

	Group	
	31 Dec 2016	31 Dec 2015
	£'000	£'000
Plant and machinery	22	38
Rent	998	774
	1,020	812

At 31 December 2016 the Group had annual commitments under non-cancellable operating leases:

Group	Rental leases	Rental Leases
	31 Dec 16	31 Dec 15
	£'000	£'000
Less than one year	291	476
Within one to five years	123	390
Over five years	-	-
	414	866

29 Capital and other commitments

At 31 December 2016 the Group and Company had no capital commitments (31 December 2015: £3,900,000 for Group and Company).

A portion of the International Secretariat's annual income has been earmarked to fund £11.1m of 2017 operational costs for sections. The first tranches of payments were expensed in 2016 leaving £7.1m to be paid to sections in instalments during the remainder of 2017. There are no performance related conditions on these grants.

The IS has made a total commitment of £3.2m to invest in fundraising activities for sections during 2017. As at February 2017 a total of £1.8m was paid, with the remaining £1.4m to be paid to sections in instalments during the remainder of 2017. 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 date.

Financial Assets and Liabilities

	31 Dec 2016	31 Dec 2015
	£'000	£'000
Financial assets measured at amortised cost	46,238	40,991
Financial liabilities measured at amortised cost	(12,876)	(10,799)
Financial assets measured at fair value through the Statement of financial activities	2,015	1,190
Financial liabilities measured at fair value through the Statement of financial activities	(104)	(682)
Carrying amount of financial assets/liabilities	35,273	30,700

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

	31 Dec 2016	31 Dec 2015
	£'000	£'000
Net (losses)/gains on forward contracts financial assets/liabilities	(3,174)	518
Gain on transfer of freehold property to investment property	-	998
	(3,174)	1,516

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

	31-Dec-16	31-Dec-15
	£'000	£'000
Interest income for financial assets	134	95
Interest income for financial liabilities	19	(67)
	153	28

30 Financial Instruments (continued)

Forward Contracts

Included within other creditors in the current year, these contracts have a net liability value of £474k (2015: liability value of £682k) as spot rates are expected to be lower than the contracted forward rate when the contracts mature in 2017.

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 £991k in the Statement of Financial Activities (2015: recognised gain £518k).

At 31 December 2016, Amnesty International is committed to selling the following currencies under forward rate contracts held with bankers and other financial institutions:

2016 Contracts

Currency	Contract value	Contract type	Maturity
AUD	1,975,000	Open Forward	30 June 2017
AUD	1,975,000	Open Forward	30 December 2017
NOK	11,800,000	Open Forward	30 December 2017
CHF	2,100,000	Open Forward	30 December 2017
EUR	10,000,000	Open Forward	30 December 2017
CAD	1,700,000	Open Forward	30 December 2017
SEK	13,800,000	Open Forward	30 December 2017
DKK	9,300,000	Open Forward	30 December 2017
NZD	500,000	Open Forward	30 December 2017

2015 Contracts

Currency	Contract value	Contract type	Maturity
AUD	5,400,000	Open forward	30 December 2016
CAD	3,260,000	Open forward	30 December 2016
CHF	3,950,000	Open forward	30 December 2016
DKK	18,000,000	Open forward	30 December 2016
EUR	7,000,000	Open forward	30 June 2016
NOK	19,500,000	Open forward	30 December 2016
SEK	27,000,000	Open forward	30 December 2016

30 Financial Instruments (continued)

At 31 December 2016, Amnesty International has not committed to purchasing any currencies under forward rate contracts.

2015

Currency	Contract value	Contract type	Maturity
GHS	1,123,027	Open Forward	30 December 2016
ILS	2,000,000	Open Forward	30 December 2016
KES	67,151,048	Open Forward	30 December 2016
MAD	3,300,000	Open Forward	30 December 2016
MXN	10,200,000	Open Forward	30 December 2016
THB	10,481,170	Open Forward	30 December 2016
TND	337,707	Open Forward	30 December 2016
ZAR	9,469,450	Open Forward	30 December 2016

Details of the Group's grant commitments at year end are provided in note 9.

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

Cash Flow from Operating activities

	2016	2015
	£'000	£'000
Net cash outflows/inflows from operating activities		
Net (outgoing)/incoming resources for year	(6,067)	11,780
Adjustments for:		
Depreciation of fixed assets	1,022	1,083
Profit on disposal of fixed assets	(14)	(10,103)
Cash received on acquisition of subsidiary	-	(878)
Interest received	139	1,093
Interest paid	(141)	(67)
Increase in intangibles	(18)	9
Increase in investments	(371)	(1,156)
Increase in stock	(9)	(6)
Increase in trade receivables	(3,090)	(877)
Decrease in trade payables	199	(2,774)
FRS 102 defined benefit pension contributions	(1,396)	(1,187)
Amounts related to the defined benefit pension scheme included within the statement of financial activities	1,839	(912)
(Decrease)/Increase in provisions	(265)	231
Cash from Operating activities	(8,172)	(3,764)

Reconciliation of net cash flow to movement in net funds

	2016	2015
	£'000	£'000
(Decrease)/Increase in cash and cash equivalents in the year	(12,655)	4,242
(Decrease)/Increase in liquid resources	(346)	8,287
Movement in net funds	(13,001)	12,529
Net funds at start of year	35,536	23,007
Net funds at year end	22,535	35,536

Analysis of net funds

	31-Dec-15	Cash flow	31-Dec-16
	£'000	£'000	£'000
Cash at bank and in hand	21,794	(12,655)	9,139
Short term deposits	13,742	(346)	13,396
Net funds	35,536	(13,001)	22,535