

# Financial Report

2020/21



Business and Human Rights  
Resource Centre



# Contents

## Financial Report 2020/21

Structure and governance .....	3
Goals and activities for public benefit .....	5
Trustees' responsibilities in relation to the financial statements .....	6
Remuneration policy .....	7
Risk management .....	8
Financial review .....	10
Independent Auditor's Report .....	15
Financial statements .....	19
Notes to the accounts .....	25
Legal and administrative details .....	51



# Financial Report

## Structure and governance

### Governing document and how the charity is constituted

Business and Human Rights Resource Centre is a company limited by guarantee and not having a share capital (no. 04555494). It is governed by its Memorandum and Articles of Association, incorporated on 7 October 2002 and amended by a written resolution dated 12 March 2003 and then more recently by a special resolution dated 9 June 2016. It is also registered as a charity in England & Wales (no. 1096664).

The charity has a US subsidiary, Business and Human Rights Resource Centre (US) Ltd, which is a tax-exempt non-profit organization under section 501(c)(3) of the US Internal Revenue Code; an Australian subsidiary, Business and Human Rights Resource Centre (Australia, New Zealand and Pacific) Limited, which is a public company limited by guarantee and in the process of applying for charitable status; a subsidiary in Colombia - CENTRO DE INFORMACIÓN SOBRE EMPRESAS Y DERECHOS HUMANOS (BUSINESS AND HUMAN RIGHTS RESOURCE CENTRE) – a registered FOREIGN PRIVATE NON-PROFIT ORGANIZATION. These entities are treated as subsidiaries for the purpose of producing group accounts.

During year the charity initiated the process to establish a subsidiary in Berlin, Germany – Business & Human Rights Resource Centre e.V registered on 22 April 2020 and confirmed as a charitable not for profit entity. The entity did not trade in the financial year to 31 March 2021. However, it will be treated as a subsidiary once it commences operations.

### Organisational structure of the charity

The Trustees are responsible for the governance of Business and Human Rights Resource Centre and ensure that it pursues the objects for which it was founded. The Executive Director reports to the Board of Trustees. Decisions related to the day-to-day activities of the Resource Centre are taken by staff members, managed by the Executive Director. Trustees' approval is required for key strategic decisions. During the financial year the Trustees met virtually on 29 May 2020 and 4 December 2020. Board membership (nominations, and finance and administration) meet three times per year.

The Trustees, Executive Director and staff have available to them the support of the Resource Centre's respected International Advisory Network, chaired by Mary Robinson, former UN High Commissioner for Human Rights, and a number of leading academic institutions that comprise its Academic Partners. Further details of all partners are available on the Resource Centre's website: <http://business-humanrights.org/en/about-us>.

## Methods adopted for the recruitment and appointment of new Trustees

The Nominations Committee is a sub-committee of the Board and is responsible for guiding and advising the Board on matters relating to the composition, structure and operation of the Board. The prime responsibility of the committee is succession planning to ensure that the Resource Centre has a well-managed succession of highly competent Directors to serve on its Board. The Directors are also charity Trustees for the purposes of charity law. The recruitment process for replacement Trustees is conducted with a view to maintaining the diversity of the Board, in terms of geographical representation, gender, areas of expertise, etc. The Board seeks a wide range of suggestions of potential Trustees, with a shortlist presented for discussion and decision at the bi-annual Board of Trustees meeting.

## Policies and procedures for the induction of Trustees

When appointed, new Trustees meet with the Executive Director and staff members to review the charity's history, policies, procedures and strategic plan. They also have a discussion with the Board's Chair. They are provided with a board induction pack with information about the Resource Centre's work, policies, procedures, audited accounts and Memorandum and Articles of Association. Prior to each bi-annual Board of Trustees meeting, Trustees are sent a detailed staff report describing achievements and challenges over the past six months, including financials and identifying issues on the horizon.

## Related parties/subsidiaries

The Resource Centre has four subsidiaries. The US subsidiary is a tax-exempt non-profit organization under section 501(c)(3) of the Internal Revenue Code; the Australian subsidiary is a public company limited by guarantee and is a registered charity with ACNC with effect from 6 July 2018; a subsidiary in Colombia - CENTRO DE INFORMACIÓN SOBRE EMPRESAS Y DERECHOS HUMANOS (BUSINESS AND HUMAN RIGHTS RESOURCE CENTRE) – a registered FOREIGN PRIVATE NON-PROFIT ORGANIZATION on 17 May 2019; and a subsidiary in Berlin, Germany - Business and Human Rights Resource Centre e.V registered on 22 April 2020 and confirmed as a charitable not for profit entity. The entity did not trade in the financial year to 31 March 2021. The Resource Centre's US, Colombian and Australia, New Zealand and Pacific activities are carried out in conjunction with those of the UK charity, and managed by the Executive Director.

# Goals and activities for public benefit

## Statement of goals and principal activities for the public benefit

The Resource Centre's objects, as set out in its governing document, are the promotion of international human rights for the public benefit by:

- ⌚ Advancing the education of the public by developing an independent, international, publicly accessible online library and resource centre for those seeking a better understanding of human rights issues relating to business;
- ⌚ Raising public awareness and cultivating a sentiment in favour of international human rights, in particular but not exclusively by using the internet to disseminate educational materials;
- ⌚ Promoting corporate transparency and accountability.

The Trustees confirm that they have had regard to the Charity Commission's guidance on public benefit when planning its activities in furtherance of its objectives for the public benefit.

## Trustees' responsibilities in relation to the financial statements

The Trustees are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- ⤵ Select suitable accounting policies and then apply them consistently;
- ⤵ Observe the methods and principles in the Charities' Statement of Recommended Practice (SORP);
- ⤵ Make judgments and 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 charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011 and Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the charity's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Trustees are not aware of any relevant audit information of which the auditors are unaware.

## Remuneration policy

The Trustees and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity and its subsidiary on a day to day basis. All Trustees give their time freely and no trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in note 7 to the accounts.

The Resource Centre is committed to ensuring that we pay our staff fairly and in a way which ensures we attract and retain the right skills to have the greatest impact in delivering our charitable objectives. The pay of the senior management team is reviewed annually and normally increased in accordance with established salary ladders and inflation at the time of review.

The Finance and Administration Committee of the Board sets the pay for all staff annually as part of the budget approval process. The Executive Director is in attendance for the meeting (leaving for the discussion regarding the Executive Director's remuneration).

The main responsibilities of the Finance and Administration Committee in relation to remuneration are to:

- ④ Determine the remuneration package of the Executive Director;
- ④ Approve the annual percentage increase in the payroll for all staff;
- ④ Approve any pay awards and staff salary increases outside of the annual review process as recommended from time to time by the Executive Director;
- ④ Review and agree pension arrangements.

# Risk management

The Trustees have a risk management strategy which comprises:

- ⌚ Quarterly and bi-annual reviews, by the Finance and Administration sub-committee and the Board respectively, of the principal risks and uncertainties that the charity and its subsidiary face;
- ⌚ The establishment of policies, systems and procedures to mitigate those risks identified in these reviews;
- ⌚ Implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

Our most significant risks and mitigating actions, covering our global operations, are set out in the table below:

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## RISKS & ASSOCIATED MANAGEMENT

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### Financial sustainability

- ⌚ Maintain close management of our demonstrated impact and relevance to business and human rights. Ensure that view is shared with funders and prospective funders. Sustain an inspiring pipeline of work programmes that promise impact and attract funders and partners.
- ⌚ Plan strategically and regularly review our plans in a clear, transparent and inclusive process whilst ensuring flexibility.
- ⌚ The Development Committee, a sub-committee of the Board, meets two to three times per year to assist the Board and staff in the planning and implementation of fundraising activities in support of the programmes, projects and activities of the organization, and participates in the execution of the agreed strategy.
- ⌚ Grow and diversify income streams through investment in fundraising and communications staff as well as being flexible and innovative in response to market changes and challenges.
- ⌚ Conduct regular reviews of available liquid funds, expenditure and funding sources ensuring that we have sufficient unrestricted funding. Manage and plan our funding pipeline on a rolling 12-month basis and diversify our funding sources.

### Financial Management and Control

- ⌚ Rigorous annual budgeting and ongoing management reporting and monitoring of financial performance through accounting software and financial tracking tools developed in-house.
- ⌚ Prepare 3-year financial forecasts aligned to the Resource Centre's strategy.
- ⌚ Enhance our internal systems of financial control and reporting with the guidance of the Charity Commission CC8 Checklist: a self-assessment checklist which is designed to help charities evaluate their performance against the legal requirements and good practice recommendations set out in the Commission's guidance on internal financial controls for charities.
- ⌚ The Finance and Administration Committee, a sub-committee of the Board, meets three times a year to review and assess the financial status, management, and control of the Resource Centre.



### **Staff and volunteers' security and safety in regions of heightened risk**

- ⌚ Regular consultations with country and security experts with whom we have developed contingency plans which are updated at regular intervals and ready for implementation should the need arise.
- ⌚ Continue to deliver a programme of health & safety improvements and training to strengthen our safety management system.

### **Incidents that damage reputation and / or negatively impact operations (including cyber security and cyber liability)**

- ⌚ Pro-active and reactive media management in place, including ongoing digital and traditional media monitoring.
- ⌚ Dedicated specialist resource for health & safety, and commissioned dedicated specialist resource for legal.
- ⌚ Continue programme to drive IT improvements and strengthen infrastructure and security to protect the Resource Centre's assets.
- ⌚ Care is taken to be fair and objective and assess the sources of the materials we use and invite companies to respond when reports criticise their conduct. The Resource Centre adheres to a set of internal procedures for dealing with potentially defamatory material. To supplement these steps of risk avoidance, Trustees have secured media liability insurance cover.

# Financial Review

## Income

Our work is funded by a range of foundations, government foreign ministries, and individuals. To maintain our independence, the Business and Human Rights Resource Centre avoids any conflict of interest or reputation risk by not accepting donations directly from companies, and reviews potential donations from corporate foundations, senior executives at major corporations, and pro-bono legal support on a case-by-case basis.

The highest proportion of our income continues to come from foundations. We increased income by 24% to £4.2m compared to the previous year.

Income from foundations increased by 33% to 93% of the total restricted income whereas governments fell by 37% to 7% of the restricted income. We continued to develop more strategic relations with governments and in the new financial year expect governments funds to increase again. Importantly we successfully secured renewed funding from many of our existing project-related funders.

We continued to increase collaborative partnerships. Such partnerships enable us to strengthen our networks, have wider geographical reach, facilitate knowledge, good practice and information sharing, promote mutual support between organizations, provide a more integrated approach to beneficiaries, and access new funding sources.

## Fundraising

We have a Development Team of three staff, who work full-time on fundraising and grant management. We do not have any voluntary fundraisers working on our behalf, and we do not use external fundraising agencies or commercial participators to deliver any of our fundraising.

Our approach to fundraising is driven by respect, honesty and openness. We respect the wishes and preferences of all of our supporters and beneficiaries, and are sensitive to the needs of every individual. We are open and inclusive to all, regardless of visible and invisible differences. And we are accountable for delivering a high standard of fundraising.

We make every effort to ensure that our fundraising does not intrude on peoples' privacy, that it is not unreasonably persistent, and that it does not place pressure on anyone to donate to our organization. The Development Team monitors its own fundraising activities and presents its work to the Senior Management Team and Board for evaluation and approval on a regular basis.

To strengthen our relationship with supporters, we continue to develop new approaches to supporter engagement. By gaining insights from our supporter base through regular communication, we are aware of what matters to our supporters and seek to align our database, technology and practices with supporter expectations. We aspire to best practice in the way we engage our supporters, and our fundraising activity has only generated complaints twice in the past ten years. We encourage any supporters with questions about our fundraising to contact us.

## Expenditure

Our total expenditure increased by 8.6% to £3.3m. This expenditure was funded by income generated in the year, partly by funds brought forward for activities intended to be carried out during the year, and designated reserves generated from prior year surpluses.

Expenditure on our charitable activities increased by 10% or £274k in the year to £2.9m.

We increased our staff capacity further mainly in relation to project staff, as a result of renewed and new funding from several project specific funders. We continued to increase our staff capacity in communications considerably through the C&A/Laudes Foundation grant in order to further strengthen our global media coverage and social media presence. Our overall staff numbers increased considerably due to an increase in project staff numbers.

Due to COVID-19 Pandemic, we have not travelled in the 2020-21 financial year. We invested in our website, with the majority of enhancements being funded by project grants, and new and replacement laptops were purchased throughout the year. These costs were capitalised as per our fixed assets and depreciation policy.

During the year, we have continued to improve and enhance our internal financial management and control systems, utilising the Charity Commission's CC8 checklist to perform a thorough evaluation of our performance against the legal requirements and good practice recommendations set out in the Commission's guidance on internal financial controls for charities. During the current financial year we will explore online financial software with a view to converting to a new system the financial year commencing 1 April 2022. This will strengthen common approaches to financial management among the group subsidiaries and increase the capability of our financial analysis for our different areas of work.

The COVID-19 pandemic was declared towards the end of our 2019-20 fiscal year. The Charity has considered the impact of COVID-19 and the ensuing economic shutdown in preparing these financial statements. As the circumstances are in existence at the balance sheet date, the events, and any impact after the year end that related to conditions in existence at that date, have been treated as an adjusting event. We do not believe that the pandemic had any material impact on our activities except as referred to below.

The main impact of COVID-19 in the 2020-21 financial year related to the overall disruption in the work of our movement for human rights in business. Many of the Resource Centre's partners around the world, from trade unions to civil society alliances are struggling to cope with changed demands, conditions of work, and funding. The Resource Centre has faced many similar challenges to our organisational health, though we appear to be weathering the storm. The pandemic also created opportunities and our programmes have reoriented to the pandemic, to some degree. This is to ensure we address both the human rights challenges of the pandemic, and the emergent opportunities to drive transformational agendas around a new social contract and just transition to zero carbon as part of the 'just recovery' agenda. The specific impacts on existing programmes relate to our inability to travel and conduct and participate in in-person meetings and events. However, we and others have adjusted by replacing those planned events with virtual sessions.

Since the pandemic hit toward the end of our previous financial year there were no implications for our finances and fundraising, and funders offered their utmost flexibility with restricted project grants. Other's offered additional funding to cover our new work on the corporate response to the pandemic. This flexibility

and additional offers of support for this work continued into the subsequent financial year and we do not anticipate any effect on our financial sustainability as a result of the pandemic.

We aim to build our reserves to a minimum of three months' operating support by the end of our next financial year.

Looking forward, we will continue to generate new evidence on:

- ① corporate responses to the pandemic including the harm created by brands' sourcing and purchasing practice decisions on the lives of workers and communities and emphasising the importance of workers' empowerment in supply chains;
- ① increased attacks on civic freedoms and human rights defenders during the pandemic;
- ① the centrality of human rights due diligence to the transition to a net-zero carbon economy and a just recovery.

We will use this new evidence to promote transformational agendas around the 'just recovery' theme, and have combined this with our work on mandatory human rights due diligence in Europe, Africa, Latin America, and Asia.

## Reserves

The Trustees view the holding of general reserves as an integral part of risk management. Our reserves policy applies to the group as a whole and is set to ensure our work is protected from the risk of disruption at short notice due to a lack of funds, whilst at the same time ensuring we do not retain income for longer than required. The group reserves policy is kept under periodic review and reserves levels will be adjusted as perceptions of risk and other factors change. Key areas considered by the Trustees in determining reserves levels include the financial impact of risk, levels of non-cash working capital and commitments and longer-term plans.

The minimum free reserves level should be three months of core expenditure (set at £450k) with optimal reserves being four months (£600k). The reserves as of the end of March 2021 were £485k, slightly above the minimum. A more full reserves policy based on a range of risks will be developed in the coming year, along with a more precise definition of the core costs of the organisation.

General reserves are a vital bulwark against hard times, unexpected financial demands and exceptional opportunities for growth. Such reserves should only be used for these circumstances and only in extremis when all other options have been tried and tested.



## Reconciliation of funds carried forward to reserves

	2021 £	2020 £
<b>Group (Global)</b>		
Funds carried forward (as per SoFA)	2,876,943	2,256,809
Less:		
Restricted funds	(2,131,858)	(1,890,801)
<b>Unrestricted funds</b>	<b>745,086</b>	<b>269,315</b>

## Going Concern

The Board of Trustees has reviewed the Resource Centre’s financial position and consequently believes there are sufficient resources to manage any operational or financial risks. The Board therefore considers there is a reasonable expectation that the Resource Centre has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Board continues to adopt the going concern basis of accounting in preparing the accounts.

The Trustees are extremely grateful to the following funders that have made our work this year possible:

### Foundations

ACT Church of Sweden  
 Anonymous Foundation  
 CERALC  
 Diakonia  
 Ford Foundation  
 Freedom Fund  
 Heinrich Boll Foundation  
 Humanity United  
 Joseph Rowntree Charitable Trust  
 Laudes Foundation  
 National Endowment for Democracy  
 Oak Foundation  
 Omidyar Network  
 Open Society Foundations  
 Oxfam GB Regional Centre Bangkok  
 Ruth Turner Fund  
 Sasakawa Peace Foundation  
 Solidarity Centre  
 Wallace Global Fund  
 Wellspring Philanthropic Fund  
 W.K. Kellogg Foundation  
 World Resources Institute

## Governments and multilateral actors

Australian Government's Department of Foreign Affairs and Trade

Delegation of the European Union to Cambodia

German Federal Ministry of Economic Cooperation and Development, supported by the German Agency for International Cooperation (GIZ)

The Swiss Confederation, represented by the Swiss Federal Department of Foreign Affairs

UK Home Office

United Nations Development Programme (UNDP)

## Individuals

The Trustees also wish to thank all our individual donors for their generous support.

This report of the Board has been prepared taking advantage of the small companies exemption of section 415A of the Companies Act 2006.

This report was approved and authorised for issue by the Board on 09/12/2021 and signed on its behalf by:



### Paul Clough

Trustee/Treasurer

# Independent Auditor's Report To The Members Of Business and Human Rights Resource Centre

(REGISTERED COMPANY NO.04555494)

## Opinion

We have audited the financial statements of Business and Human Rights Resource Centre (the 'Parent charitable company') and its subsidiary (the 'Group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

## In our opinion the financial statements:

- ⊕ give a true and fair view of the state of the Group's and Parent charitable company's affairs as at 31 March 2021, and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ⊕ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ⊕ have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

## Basis for opinion

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

## Conclusions relating to going concern

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

- ⊕ the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ⊕ the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or Parent charitable company's ability to continue to adopt the

going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

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

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

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

- ⊕ the information given in the Trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ⊕ the directors' report has been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the Group and Parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- ⊕ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ⊕ the 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; or
- ⊕ the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.



## Responsibilities of Trustees

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

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

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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- ⊗ Enquiry of management around actual and potential litigation and claims;
- ⊗ Review of minutes of Trustee meetings;
- ⊗ Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias; and
- ⊗ Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

## Use of this report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....  
**Helen Blundell LLB FCA FCIE DChA**  
(Senior Statutory Auditor)

For and on behalf of:

**MHA MacIntyre Hudson**

Chartered Accountants and Statutory Auditor  
Rutland House, 148 Edmund Street  
Birmingham, West Midlands, B3 2FD

Date .....

# Financial Statements

## Consolidated Statement of Financial Activities Incorporating the income and expenditure account For the year ended 31 March 2021

### Current Year

	Notes	Unrestricted £	Restricted £	2021 £	2020 £
<b>Income from</b>					
Donations and legacies	2	413,682	-	413,682	353,568
Charitable activities	3	-	3,766,001	3,766,001	3,053,687
Investments	4	118	-	118	120
<b>Total Income</b>		<b>413,800</b>	<b>3,766,001</b>	<b>4,179,801</b>	<b>3,407,375</b>
<b>Expenditure</b>					
Cost of raising funds	5	-	213,333	213,333	224,165
Expenditure on charitable activities	5	34,724	3,096,323	3,131,047	2,856,739
<b>Total resources expended</b>		<b>34,724</b>	<b>3,309,656</b>	<b>3,344,380</b>	<b>3,080,904</b>
<b>Net income/(expenditure) for the year</b>		<b>379,077</b>	<b>456,345</b>	<b>835,421</b>	<b>326,471</b>
Other recognised gains and losses		-	(215,288)	(215,288)	96,694
Net movement in funds		379,077	241,057	620,133	423,165
Fund balance brought forward		366,009	1,890,801	2,256,810	1,833,644
<b>Fund balances carried forward</b>		<b>745,086</b>	<b>2,131,858</b>	<b>2,876,943</b>	<b>2,256,809</b>

All of the above results derive from continuing activities. There are no gains and losses other than those disclosed above. The accompanying notes form an integral part of these financial statements.

## Prior Year Comparative

	Notes	Unrestricted £	Restricted £	2020 £	2019 £
<b>Income from</b>					
Donations and legacies	2	353,568	-	353,568	351,574
Charitable activities	3	-	3,053,687	3,053,687	2,254,832
Investments	4	-	120	120	122
<b>Total Income</b>		<b>353,568</b>	<b>3,053,807</b>	<b>3,407,375</b>	<b>2,606,528</b>
<b>Expenditure</b>					
Cost of raising funds	5	224,165	-	224,165	205,146
Expenditure on charitable activities	5	463,949	2,392,790	2,856,739	2,300,002
<b>Total resources expended</b>		<b>688,114</b>	<b>2,392,790</b>	<b>3,080,904</b>	<b>2,505,148</b>
<b>Net income/(expenditure) for the year</b>		<b>(334,546)</b>	<b>661,017</b>	<b>326,471</b>	<b>101,380</b>
Other recognised gains and losses		96,694	-	96,694	98,305
Net movement in funds		(237,852)	661,017	423,165	199,685
Fund balance brought forward		603,861	1,229,783	1,833,644	1,635,958
<b>Fund balances carried forward</b>		<b>366,009</b>	<b>1,890,801</b>	<b>2,256,809</b>	<b>1,833,643</b>



## Financial Statements – Company number: 04555494 Consolidated and Charity Balance sheets As at 31 March 2021

### Current Year

	Notes	2021		2020	
		Group (Global) £	Charity (UK) £	Group (Global) £	Charity (UK) £
<b>Fixed assets</b>					
Tangible assets	9	260,753	257,212	224,041	218,879
		260,753	257,212	224,041	218,879
<b>Current assets</b>					
Debtors	10	1,961,685	882,786	1,764,928	278,022
Cash at bank and in hand		886,931	234,865	644,682	167,308
		2,848,616	1,117,651	2,409,610	445,330
<b>Creditors: amounts falling due within one year</b>	11	(232,429)	(766,579)	(376,842)	(308,196)
<b>Net current assets</b>		2,616,187	351,071	2,032,768	137,134
<b>Total assets less current liabilities</b>		2,876,940	608,283	2,256,809	356,013
<b>Represented by</b>					
<b>Unrestricted funds</b>	12	745,086	239,492	366,008	225,479
<b>Restricted funds</b>	12	2,131,858	368,792	1,890,801	130,534
		2,876,943	608,283	2,256,809	356,013

In accordance with section 408 of the Companies Act 2006, the Charity has taken exemption from presenting its own unconsolidated profit and loss account'. The Charity's net surplus for the year was 252,270.

## Prior Year Comparative

	Notes	2020		2019	
		Group (Global) £	Charity (UK) £	Group (Global) £	Charity (UK) £
<b>Fixed assets</b>					
Tangible assets	9	224,041	218,879	111,560	102,754
		224,041	218,879	111,560	102,754
<b>Current assets</b>					
Debtors	10	1,764,928	278,022	983,762	74,377
Cash at bank and in hand		644,682	167,308	928,547	170,254
		2,409,610	445,330	1,912,309	244,631
<b>Creditors: amounts falling due within one year</b>	11	(376,842)	(308,196)	(190,225)	(124,663)
<b>Net current assets</b>		2,032,768	137,134	1,722,084	119,968
<b>Total assets less current liabilities</b>		2,256,809	356,013	1,833,644	222,722
<b>Represented by</b>					
<b>Unrestricted funds</b>	12	366,008	225,479	603,861	193,363
<b>Restricted funds</b>	12	1,890,801	130,534	1,229,783	29,359
		2,256,809	356,013	1,833,644	222,722

The accompanying notes form an integral part of these financial statements. The financial statements were approved by the Trustees and authorised for issue on 09/12/2021 and signed on their behalf by



**Paul Clough**

Trustee/Treasurer

## Financial Statements

### Consolidated Statement of Cash Flows

#### For the year ended 31 March 2021

#### Current year

	Notes	2021 £	2020 £
<b>Reconciliation of net income to net cash flow from operating activities</b>			
Net income for the reporting period (as per the statement of financial activities)		620,133	423,165
<b>Adjustment for:</b>			
Add back depreciation charges	9	134,722	72,827
Decrease/(increase) in debtors	10	(196,757)	(781,166)
Increase/(decrease) in creditors	11	(144,414)	186,617
<b>Net cash provided by / (used in) operating activities</b>		<b>413,685</b>	<b>(98,557)</b>
<b>Statement of cash flows</b>			
<b>Cash flows from operating activities:</b>			
Net cash provided by / (used in) operating activities		<b>413,685</b>	<b>(98,557)</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets	9	(171,432)	(185,308)
<b>Net cash (used in) / provided by investing activities</b>		<b>(171,432)</b>	<b>(185,308)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>242,250</b>	<b>(283,865)</b>
Cash and cash equivalents at the beginning of the reporting period		644,682	928,547
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>886,932</b>	<b>644,682</b>

## Prior year comparative

	Notes	2020 £	2019 £
<b>Reconciliation of net income to net cash flow from operating activities</b>		423,165	199,685
Net income for the reporting period (as per the statement of financial activities)			
<b>Adjustment for:</b>			
Add back depreciation charges	9	72,827	50,918
Decrease/(increase) in debtors	10	(781,166)	140,560
Increase/(decrease) in creditors	11	186,617	81,326
<b>Net cash provided by / (used in) operating activities</b>		<b>(98,557)</b>	<b>472,491</b>
<b>Statement of cash flows</b>			
<b>Cash flows from operating activities:</b>			
Net cash provided by / (used in) operating activities		<b>(98,557)</b>	<b>472,489</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets	9	(185,308)	(78,170)
<b>Net cash (used in) / provided by investing activities</b>		<b>(185,308)</b>	<b>(78,170)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(283,865)</b>	<b>394,319</b>
Cash and cash equivalents at the beginning of the reporting period		928,547	534,226
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>644,682</b>	<b>928,547</b>



# Notes to the accounts

## For the year ended 31 March 2021

### 1. Accounting policies

#### a) Scope and basis of financial statements

The consolidated financial statements have been prepared on a going concern basis under the historical cost convention and are in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ('the SORP'), FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), the Charities Act 2011 and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The consolidated financial statements include the financial statements of the charity together with the results of Business and Human Rights Resource Centre (US) Limited, a US non-profit organization registered under Section 501(c) (3) of the Internal Revenue Code, and Business and Human Right Resource Centre (Australia, New Zealand and Pacific) Limited, an Australian public company limited by guarantee and the CENTRO DE INFORMACIÓN SOBRE EMPRESAS Y DERECHOS HUMANOS (BUSINESS AND HUMAN RIGHTS RESOURCE CENTRE) – a registered FOREIGN PRIVATE NON-PROFIT ORGANIZATION in Colombia. The US, Colombian and Australian entities are wholly-controlled subsidiaries of the Charity.

**The financial statements are prepared in Sterling (£) which is the functional and presentational currency of the charity.**

#### b) Income

All grants and donations income is accounted for gross when the charity has entitlement to the funds, the amount can be quantified and receipt of the funds is probable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Grants which have been specified for use in future periods are recognised in deferred income and released in the relevant accounting period.

Donated goods and services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity. This is normally upon notification of the interest paid or payable by the Bank.

#### c) Fund Accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to

set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

#### **d) Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and includes VAT as appropriate. Expenditure is classified under the following activity headings:

Costs of raising funds comprise support costs associated with fundraising activities.

Expenditure on charitable activities includes the costs of building transparency, strengthening accountability and empowering advocates and their associated support costs. These activities are supported through maintenance of our online library, dissemination of information on current business and human rights issues, maintenance of the company response mechanism and providing users with tools and guidance materials.

#### **e) Allocation of support costs**

Support costs are those which provide indirect support to front-line output provision such as central finance, human resources, governance costs and management information services. Support costs not attributable to a single activity have been allocated on a basis consistent with the identified cost driver for that cost category such as percentage staff time or occupancy.

#### **f) Fixed assets & depreciation**

Individual tangible fixed assets are capitalised at cost less accumulated depreciation and impairment losses. All website development costs are treated as tangible fixed assets and are also capitalised at cost.

Depreciation is calculated at the following rates to write off the cost, less estimated residual value of each asset over its expected useful life:

Computer equipment – 33% straight line

Website development – 33% straight line

#### **g) Pensions**

Contributions are made to employees' individual pension plans. Contributions are charged to the Consolidated Statement of Financial Activities in the year in which they become payable.

#### **h) Taxation**

No provision has been made for taxation as the charitable status of the Business and Human Rights Resource Centre renders it exempt from UK direct taxation on charitable activities.

## **i) Foreign currency translations**

### **Functional currency and presentation currency**

The individual financial statements of each entity within the group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position are presented in Sterling (£).

### **Transactions and balances**

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise. However, in the consolidated financial statements exchange differences arising on monetary items that form part of the net investment in a foreign operation are recognised in other comprehensive income and are not reclassified to profit or loss.

### **Translation of group companies**

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated from their functional currency (US dollars, Australian Dollars and Colombian Peso) to Sterling (£) using the closing exchange rate. Income and expenses are translated using the average rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on the translation of group companies are recognised in other recognised gains and losses and are not reclassified to income or expenditure.

## **j) Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

## **k) Leases**

Rentals payable under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the period of the lease.

## **l) Judgement and key sources of estimation uncertainty**

There are no judgements (apart from those involving estimates) made in the process of applying the accounting policies that have a significant effect on amounts recognised in the financial statements. There are no key assumptions concerning key sources of estimation uncertainty that have a risk of causing a material adjustment.

## m) Financial Instruments

The Charity holds basic financial instruments. The financial assets and financial liabilities of the Charity are as follows:

**Debtors** – trade debtors, other debtors and accrued income are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 10. Prepayments are not financial instruments.

**Cash at bank** – is classified as a basic financial instrument and is measured at face value.

**Investments** – All investments are classified as basic financial instruments and held at their fair value.

**Creditors** – trade creditors and accruals are classified as basic financial instruments, and are measured at amortised cost as detailed in note 11. Taxation and social security are not considered to be financial instruments. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

## 2. Income from donations and legacies (Unrestricted income)

### Current year

	2021 £	2020 £
<b>Group (Global)</b>		
<b>Grants from foundations and governments</b>		
Anonymous Foundation	68,794	34,744
Open Society Foundations	38,219	-
The Ruth Turner Fund	19,109	19,302
Wallace Global Fund	68,794	77,208
Wellspring Philanthropic Fund	152,875	154,416
CHRB	-	38,349
Individual donations	65,892	29,549
	<b>413,682</b>	<b>353,568</b>

### Prior year comparative

	2020 £	2019 £
<b>Group (Global)</b>		
<b>Grants from foundations and governments</b>		
Anonymous Foundation	34,744	37,882
The Ruth Turner Fund	19,302	18,941
Wallace Global Fund	77,208	56,823
Wellspring Philanthropic Fund	154,416	151,528
CHRB	38,349	-
Donated goods and services**	-	36,183
UK bad grant debtors write off	-	329
Individual donations	29,549	49,888
	<b>353,568</b>	<b>351,574</b>

\*\* Donated goods & services above were for legal services in the 2019 year in relation to the set-up of the subsidiary in Australia.

### 3. Income from charitable activities (Restricted income)

#### Current year

	2021 £	2020 £
<b>Group (Global)</b>		
Building transparency	1,222,508	993,165
Strengthening accountability	1,222,508	966,914
Empowering advocates	1,320,985	1,093,609
	3,766,001	3,053,688
<b>Grants which fund charitable activities:</b>		
11th Hour Project/Schmidt Family Foundation	76,438	
Anonymous		15,442
Australian Government's Department of Foreign Affairs and Trade*	21,785	25,393
ACT Church of Sweden – Colombia**	34,576	73,196
CERALC fund Latin America	80,760	
DanChurch Aid - Danida	12,000	
Diakonia – Colombia	22,122	65,171
European Union Cambodia*	27,159	27,433
Ford Foundation	669,291	84,929
Freedom Fund – Modern Slavery Registry		38,604
German Federal Ministry of Economic Cooperation and Development supported by GIZ*	130,000	260,860
Heinrich Boll Foundation	36,815	
Humanity United – Know The Chain	14,141	673,255
Humanity United - MSA	91,725	92,650
Humanity United - COVID	76,438	
Humanity United – Strategic Partnership – Part 1	629,921	
Joseph Rowntree Charitable Trust	99,666	
Laudes Foundation	748,752	550,638
Laudes Social Auditing		185,300
Laudes Emergency Grant	62,453	
National Endowment for Democracy	157,480	266,893
Netherlands SER-SOMO*		18,081
NHRF - Colombia	41,407	
Oak Foundation	87,800	91,700
Open Society Foundations – Strategic Lawsuits Against Public Participation		92,650
Open Society Foundations (Renewables & EECA)	156,697	
Omidiyar Network		19,302
Other small grants and contributions	7,350	13,856



Oxfam GB Regional Centre Bangkok	91,266	87,600
Porticus Foundation – LatAm Litigation Network	87,918	
Sasakawa Peace Foundation	43,759	9,000
Swiss Federal Department of Foreign Affairs*	85,022	87,108
UK Home Office Modern Slavery Act Audit*		48,008
UNDP – Bangladesh NAP	15,549	
UNDP – China Project		11,423
UNDP - Strategic Lawsuits Against Public Participation Casebook SE Asia	37,788	
UNGP 10+	14,821	
W. K. Kellogg Foundation	105,102	154,401
World Resources Institute		60,794
	<b>3,766,001</b>	<b>3,053,688</b>

\* Grants received from local and international governments. In the year there were no unfulfilled conditions.

\*\* Contingent Assets - grant income. During the financial year the charity received the second of three annual instalments relating to a grant from the Church of Sweden, the charity expects to receive a further £41,080 over the next financial period in relation to this grant.

## Prior year comparative

	2020 £	2019 £
<b>Group (Global)</b>		
Building transparency	993,165	722,331
Strengthening accountability	966,914	722,331
Empowering advocates	1,093,609	810,170
	<b>3,053,688</b>	<b>2,254,832</b>
<b>Grants which fund charitable activities:</b>		
Anonymous	15,442	-
Australian Government's Department of Foreign Affairs and Trade*	25,393	62,821
ACT Church of Sweden – Colombia	73,196	-
Diakonia – Colombia****	65,171	-
European Union – Cambodia*	27,433	-
Ford Foundation	84,929	340,627
Freedom Fund – Modern Slavery Registry	38,604	-
German Federal Ministry of Economic Cooperation and Development supported by GIZ*	260,860	58,029
Humanity United – KnowTheChain	673,255	511,405
Humanity United – Modern Slavery Registry	92,650	-
Laudes Foundation	550,638	657,430
Laudes Social Auditing	185,300	-
National Endowment for Democracy	266,893	77,915

Netherlands SER-SOMO*	18,081	-
Oak Foundation	91,700	101,600
Open Society Foundations	-	89,553
Open Society Foundations – Strategic Lawsuits Against Public Participation	92,650	-
Open Society Foundations (CHRI partnership)**	-	(13,560)
Omidyar Network	19,302	37,882
Other small grants and contributions	13,856	29,109
Oxfam GB Regional Centre Bangkok	87,600	99,460
Sasakawa Peace Foundation	9,000	-
Swiss Federal Department of Foreign Affairs*	87,108	75,533
The Open Society Initiative for Southern Africa (OSISA)	-	15,607
UK Home Office Modern Slavery Act Audit*	48,008	-
UNDP – China Project	11,423	-
Unicef	-	1,000
W. K. Kellogg Foundation	154,401	110,422
World Resources Institute	60,794	-
	<b>3,053,688</b>	<b>2,254,832</b>

## 4. Investment income

### Current year

	2021 £	2020 £
Bank interest receivable	118	120
	118	120

### Prior year comparative

	2020 £	2019 £
Bank interest receivable	120	122
	120	122

## 5. Expenditure

### Current year

	Direct costs £	Support costs £	Total 2021 £	Total 2020 £
<b>Raising funds</b>				
Fundraising	-	213,333	213,333	224,165
<b>Sub-total</b>	<b>-</b>	<b>213,333</b>	<b>213,333</b>	<b>224,165</b>
<b>Charitable activities</b>				
Building transparency	337,240	171,167	508,407	428,835
Strengthening accountability	890,107	204,188	1,094,295	972,206
Empowering advocates	1,236,996	291,349	1,528,345	1,455,697
<b>Sub-total</b>	<b>2,464,343</b>	<b>666,704</b>	<b>3,131,047</b>	<b>2,856,739</b>
<b>Total</b>	<b>2,464,343</b>	<b>880,037</b>	<b>3,344,380</b>	<b>3,080,904</b>

### Prior year comparative

	Direct costs £	Support costs £	Total 2020 £	Total 2019 £
<b>Raising funds</b>				
Fundraising	-	224,165	224,165	205,146
<b>Sub-total</b>	<b>-</b>	<b>224,165</b>	<b>224,165</b>	<b>205,146</b>
<b>Charitable activities</b>				
Building transparency	294,196	134,639	428,835	365,857
Strengthening accountability	815,329	156,877	972,206	790,637
Empowering advocates	1,261,623	194,074	1,455,697	1,143,508
<b>Sub-total</b>	<b>2,371,149</b>	<b>485,590</b>	<b>2,856,739</b>	<b>2,300,002</b>
<b>Total</b>	<b>2,371,149</b>	<b>709,755</b>	<b>3,080,904</b>	<b>2,505,148</b>

The basis of allocation of support costs is described in note 1(e) and further analysis is provided in note 6.

## 6. Support costs by activity

### Current year

	Raising funds £	Building transparency £	Strengthening accountability £	Empowering advocates £	Total 2021 £	Total 2020 £
Central management	1,948	6,320	23,681	47,354	79,303	73,063
Central finance, administration and human resources	5,680	56,068	71,723	115,356	248,827	177,022
Fundraising	205,705	1,729	1,731	1,692	210,857	222,584
Communication		55,610	55,610	73,946	185,166	87,313
Central facilities		43,344	43,347	44,659	131,350	101,081
Governance		8,096	8,096	8,342	24,534	48,692
<b>Total</b>	<b>213,333</b>	<b>171,167</b>	<b>204,188</b>	<b>291,349</b>	<b>880,037</b>	<b>709,751</b>

### Prior year comparative

	Raising funds £	Building transparency £	Strengthening accountability £	Empowering advocates £	Total 2020 £	Total 2019 £
Central management	1,581	7,732	23,690	40,060	73,063	86,607
Central finance, administration and human resources	-	46,879	52,749	77,394	177,022	210,610
Fundraising	222,584	-	-	-	222,584	197,939
Communication	-	23,617	30,854	32,842	87,313	100,158
Central facilities	-	38,072	33,463	29,546	101,081	112,930
Governance	-	18,339	16,121	14,232	48,692	54,400
<b>Total</b>	<b>224,165</b>	<b>134,639</b>	<b>156,877</b>	<b>194,074</b>	<b>709,751</b>	<b>762,644</b>

Support costs have been allocated on the basis of the accounting policy set out in note 1(e).

## Analysis of governance costs

### Current year

	2021 £	2020 £
Trustee expenses and meetings	(229)	229
Audit	17,605	17,628
Legal	6,998	29,019
Other governance costs	162	1,816
	<b>24,534</b>	<b>48,692</b>

### Prior year comparative

	2020 £	2019 £
Trustee expenses and meetings	229	179
Audit	17,628	7500
Legal	29,019	46,333
Other governance costs	1,816	388
	<b>48,692</b>	<b>54,400</b>

Governance costs relate to the direct running of the charity, allowing the charity to operate and generate the information required for public accountability. They include trustee expenses, the costs of trustee meetings and external audits and legal costs.

## 7. Global Team Costs

The average number of employees during the year was 48 (2020: 34) full time equivalents.

The average number of part-time researchers working as consultants / independent contractors during the year was 32 (2020: 23)

### Current year

	2021 £	2020 £
Staff costs during the year amounted to:		
Wages and salaries	1,619,461	1,415,862
Social security costs	140,982	131,383
Employer's pension contributions	80,687	82,373
	<b>1,841,130</b>	<b>1,629,618</b>
Other staff related costs (including travel)	108,637	337,353
Part-time senior & regional researchers; consultants*	984,283	818,347
	<b>2,934,050</b>	<b>2,785,318</b>

### Prior year comparative

	2020 £	2019 £
Staff costs during the year amounted to:		
Wages and salaries	1,415,862	1,086,678
Social security costs	131,383	98,221
Employer's pension contributions	82,373	67,044
	<b>1,629,618</b>	<b>1,251,943</b>
Other staff related costs (including travel)	337,353	267,778
Part-time senior & regional researchers; consultants*	818,347	657,471
	<b>2,785,318</b>	<b>2,177,192</b>

\*Consultancy costs: Regional researchers are paid as consultants, given that they work as part-time independent contractors.

### The number of employees with emoluments greater than £60,000:

#### Current year

	2021	2020
£60,000 to £70,000	1	1
£70,000 to £80,000	2	2
£80,000 to £90,000	2	3
£90,000 to £100,000	-	-
£100,000 to £110,000	-	-
£110,000 to £120,000	2	2



## Prior year comparative

	2020	2019
£60,000 to £70,000	1	1
£70,000 to £80,000	2	3
£80,000 to £90,000	3	-
£90,000 to £100,000	-	2
£100,000 to £110,000	-	-
£110,000 to £120,000	2	-

Retirement benefits are paid under a defined contribution scheme. The total employer pension contributions paid were £80,687 for the year (2020: £82,373) with £18,333 (2020: £4,854) owing as at 31 March 2021. Employer pension contributions in respect of the higher paid staff were £38,654 (2020: £36,007) with £3,701 (2020: £0) owing at year end.

No trustee, nor any person connected with them, received any remuneration from the charity. No Trustees were reimbursed in the year or prior year for travel expenses in connection with their duties as a trustee with regards to travel on missions to higher risk countries.

The key management personnel comprise the Trustees, the Executive Director, Deputy Director & Head of Europe Office, Deputy Director & Head of North America Office, Labour Rights Director and Senior Development Director. The total employee benefits of the key management personnel were £473,744 (2020: £478,197). This includes gross pay, employers National Insurance and pensions.

## 8. Net (expenditure)/income for the year

### Current year

This is stated after charging:

	2021 £	2020 £
Depreciation	134,721	72,827
Auditor's remuneration - cost of audit (inc. VAT)	17,605	17,628

### Prior year comparative

This is stated after charging:

	2020 £	2019 £
Depreciation	72,827	50,918
Auditor's remuneration - cost of audit (inc. VAT)	17,628	7,500

## 9. Tangible fixed assets

### Group (Global)

	Website £	Computer equipment £	Total £
<b>Costs</b>			
1 April 2020	446,876	50,246	497,122
Additions	164,672	6,760	171,432
<b>31 March 2021</b>	<b>611,548</b>	<b>57,006</b>	<b>668,554</b>
<b>Depreciation</b>			
1 April 2020	233,244	39,837	273,081
Charge for the year	126,709	8,010	134,721
<b>31 March 2021</b>	<b>359,953</b>	<b>47,847</b>	<b>407,801</b>
<b>Net book value</b>			
<b>31 March 2021</b>	<b>251,595</b>	<b>9,158</b>	<b>260,753</b>
31 March 2020	213,632	10,409	224,041

### Charity (UK)

	Website £	Computer equipment £	Total £
<b>Costs</b>			
1 April 2020	444,410	31,246	475,656
Additions	164,672	3,899	168,572
<b>31 March 2021</b>	<b>609,083</b>	<b>35,145</b>	<b>644,228</b>
<b>Depreciation</b>			
1 April 2020	230,778	26,000	256,778
Charge for the year	126,709	3,529	130,238
<b>31 March 2021</b>	<b>357,487</b>	<b>29,529</b>	<b>387,016</b>
<b>Net book value</b>			
<b>31 March 2021</b>	<b>251,595</b>	<b>5,616</b>	<b>257,212</b>
31 March 2020	213,632	5,247	218,879

## 10. Debtors

### Current year

	2021		2020	
	Group (Global) £	Charity (UK) £	Group (Global) £	Charity (UK) £
<b>Due within one year</b>				
Other Debtors / Prepayments	44,051	31,798	42,137	34,347
Grant debtor	1,917,634	796,500	1,722,791	190,618
Amounts due from Group undertakings	-	54,488	-	53,057
	1,961,685	882,786	1,764,928	278,022

### Prior year comparative

	2020		2019	
	Group (Global) £	Charity (UK) £	Group (Global) £	Charity (UK) £
<b>Due within one year</b>				
Other Debtors / Prepayments	42,137	34,347	38,720	32,002
Grant debtor	1,722,791	190,618	945,042	11,132
Amounts due from Group undertakings	-	53,057	-	31,243
	1,764,928	278,022	983,762	74,377

## 11. Creditors: amounts falling due within one year

### Current year

	2021		2020	
	Group (Global) £	Charity (UK) £	Group (Global) £	Charity (UK) £
Trade creditors	102,762	61,268	141,980	108,101
Tax and social security creditors	29,747	29,747	23,552	20,308
Accruals	96,675	94,188	61,486	47,111
Other creditors	3,244	3,244	149,824	1,208
Amounts due to Group undertakings		578,132		131,467
	232,428	766,579	376,842	308,195

### Prior year comparative

	2020		2019	
	Group (Global) £	Charity (UK) £	Group (Global) £	Charity (UK) £
Trade creditors	141,980	108,101	120,987	59,732
Tax and social security creditors	23,552	20,308	25,039	25,039
Accruals	61,486	47,111	39,604	35,297
Other creditors	149,824	1,208	4,595	4,595
Amounts due to Group undertakings	-	131,467	-	-
	376,842	308,195	190,225	124,663

	2020 £	2019 £
Deferred income:	-	-
Deferred income brought forward	-	1,000
Amounts released	-	(1,000)
Income deferred in the year	-	-
	-	-

## 12. Funds

### Group (Global)

#### Current year

	Balance at 1/4/20 £	Income £	Expenditure £	Transfers £	Unrealised Currency gain/(loss) £	Balance at 31/3/21 £
Restricted funds						
<b>Defending labour rights</b>	1,436,111	3,445,395	(3,003,850)	-	(215,288)	1,662,368
<b>Protecting civic freedoms &amp; human rights defenders</b>	192,515	114,225	(160,255)	-	-	146,485
<b>Promoting responsible resource use</b>	262,175	206,381	(145,551)	-	-	323,005
<b>Restricted funds</b>	<b>1,890,801</b>	<b>3,766,001</b>	<b>(3,309,656)</b>		<b>(215,288)</b>	<b>2,131,858</b>
Unrestricted funds						
<b>General funds</b>	31,212	413,800	(34,724)	-	-	410,288
<b>General reserve</b>	329,962	-	-	-	-	329,962
<b>Designated reserve</b>	4,835	-	-	-	-	4,835
<b>Total unrestricted funds</b>	<b>366,009</b>	<b>413,800</b>	<b>(34,724)</b>	-	-	<b>745,085</b>
<b>Total funds</b>	<b>2,256,808</b>	<b>4,179,801</b>	<b>(3,344,380)</b>	-	<b>(215,288)</b>	<b>2,876,941</b>

#### Prior year comparative

	Balance at 1/4/19 £	Income £	Expenditure £	Transfers £	Unrealised Currency gain/(loss) £	Balance at 31/3/20 £
Restricted funds						
<b>Defending labour rights</b>	1,131,596	2,490,447	(2,185,932)	-	-	1,436,111
<b>Protecting civic freedoms &amp; human rights defenders</b>	50,225	250,842	(108,552)	-	-	192,515
<b>Promoting responsible resource use</b>	47,963	312,518	(98,306)	-	-	262,175
<b>Restricted funds</b>	<b>1,229,784</b>	<b>3,053,807</b>	<b>(2,392,790)</b>	-	-	<b>1,890,801</b>
Unrestricted funds						
<b>General funds</b>	269,064	353,568	(688,114)	-	96,694	31,212
<b>General reserve</b>	329,962	-	-	-	-	329,962
<b>Designated reserve</b>	4,835	-	-	-	-	4,835
<b>Total unrestricted funds</b>	<b>603,861</b>	<b>353,568</b>	<b>(688,114)</b>	-	<b>96,694</b>	<b>366,009</b>
<b>Total funds</b>	<b>1,833,644</b>	<b>3,407,375</b>	<b>(3,080,904)</b>	-	<b>96,694</b>	<b>2,256,808</b>



Name of Fund	Description, nature and purposes of fund
Restricted funds	
<b>Defending labour rights</b>	Covers work on two clusters: the most egregious forms of abuse in trafficking, rights of refugees and migrant workers, forced labour and modern slavery; and rights to decent work, a living wage, freedom of association and collective bargaining.
<b>Protecting civic freedoms and human rights defenders</b>	Covers work with allies to expose the denial of civic freedoms and attacks on human rights defenders, and work with progressive business to increase their voice and impact to counter these trends.
<b>Promoting responsible resource use</b>	Focuses on land and water rights associated with mining and mega-projects; and promoting a fair and fast transition to a low carbon economy by promoting human rights due diligence by the renewable sector.
<b>Other</b>	Support the development of fundraising capacity and transition of leadership of the Resource Centre.
Unrestricted funds	
<b>General funds</b>	Unrestricted grants which are to be used over multiple years for planned core expenditure.
<b>General reserve</b>	The “free reserve” after allowing for all designated funds. Further detail describing this reserve is provided in the reserves policy on page 12.
<b>Designated reserve</b>	Described in the reserves policy on page 12.

## Charity (UK)

### Current Year

	Balance at 1/4/20 £	Income £	Expenditure £	Unrealised Currency gain/(loss) £	Balance at 31/3/21 £
Restricted funds					
<b>Defending labour rights</b>	130,534	1,394,837	(1,156,580)	-	368,792
<b>Protecting civic freedoms and human rights defenders</b>	-	-	-	-	-
<b>Promoting responsible resource use</b>	-	-	-	-	-
<b>Restricted funds</b>	<b>130,534</b>	<b>1,394,837</b>	<b>(1,156,580)</b>	<b>-</b>	<b>368,792</b>
Unrestricted funds: General fund					
	225,479	14,013	-	-	239,492
<b>Total funds</b>	<b>356,013</b>	<b>1,408,850</b>	<b>(1,156,580)</b>	<b>-</b>	<b>608,284</b>

## Prior year comparative

	Balance at 1/4/19 £	Income £	Expenditure £	Unrealised Currency gain/(loss) £	Balance at 31/3/20 £
<b>Restricted funds</b>					
<b>Defending labour rights</b>	29,359	522,597	(421,422)	-	130,534
<b>Protecting civic freedoms and human rights defenders</b>	-	1,679	(1,679)	-	-
<b>Promoting responsible resource use</b>	-	1,730	(1,730)	-	-
<b>Restricted funds</b>	<b>29,359</b>	<b>526,006</b>	<b>(424,831)</b>	<b>-</b>	<b>130,534</b>
<b>Unrestricted funds: General fund</b>					
<b>Unrestricted funds: General fund</b>	<b>193,363</b>	<b>1,309,746</b>	<b>(1,277,630)</b>	<b>-</b>	<b>225,479</b>
<b>Total funds</b>	<b>222,722</b>	<b>1,835,752</b>	<b>(1,702,461)</b>	<b>-</b>	<b>356,013</b>

## 13. Analysis of net assets between funds

### Group (Global)

#### Current year

2021	Unrestricted £	Restricted £	Total £
Tangible assets	260,753	-	260,753
Net current assets	484,343	2,131,858	2,616,200
<b>Net assets</b>	<b>745,096</b>	<b>2,131,858</b>	<b>2,876,953</b>

#### Prior year comparative

2020	Unrestricted £	Restricted £	Total £
Tangible assets	224,041	-	224,041
Net current assets	141,967	1,890,801	2,032,767
<b>Net assets</b>	<b>366,008</b>	<b>1,890,801</b>	<b>2,256,808</b>

### Charity (UK)

#### Current year

2021	Unrestricted £	Restricted £	Total £
Tangible assets	257,212	0	257,212
Net current assets	(17,720)	368,792	351,071
<b>Net assets</b>	<b>239,492</b>	<b>368,792</b>	<b>608,283</b>

#### Prior year comparative

2020	Unrestricted £	Restricted £	Total £
Tangible assets	218,879	-	218,879
Net current assets	6,600	130,534	137,134
<b>Net assets</b>	<b>225,479</b>	<b>130,534</b>	<b>356,013</b>

## 14. Operating leases

The total of the Group's future minimum lease payments under non-cancellable operating leases for land and buildings is as follows:

### Current year

	2021 £	2020 £
Amounts payable:		
Within 1 year	47,610	57,597
Between 1 and 5 years	36,000	81,604
<b>Total</b>	<b>83,610</b>	<b>139,201</b>

### Prior year comparative

	2020 £	2019 £
Amounts payable:		
Within 1 year	57,597	52,949
Between 1 and 5 years	81,604	9,000
<b>Total</b>	<b>139,201</b>	<b>61,949</b>

The total of the UK Charity's future minimum lease payments under non-cancellable operating leases for land and buildings is as follows:

### Current year

	2021 £	2020 £
<b>Amounts payable:</b>		
Within 1 year	36,000	36,000
Between 1 and 5 years	36,000	72,000
<b>Total</b>	<b>72,000</b>	<b>108,000</b>

### Prior year comparative

	2020 £	2019 £
<b>Amounts payable:</b>		
Within 1 year	36,000	36,000
Between 1 and 5 years	72,000	9,000
<b>Total</b>	<b>108,000</b>	<b>45,000</b>

## 15. Subsidiary undertaking

In order to enhance the Resource Centre's presence and to facilitate charitable fundraising in the United States, the Trustees formed a not-for-profit US corporation, named BUSINESS AND HUMAN RIGHTS RESOURCE CENTRE (US), LTD, with the Resource Centre as the sole member of that corporation on 27 February 2004.

The Directors of this US Corporation are Chris Jochnick, Michael Hirschhorn, Mila Rosenthal, Heather Grady, Kirsty Jenkinson, Anne Travers, Komala Ramachandra and Shawna Bader-Blau.

Tax exempt status from the US Internal Revenue Service was applied for in March 2004 and formally granted in October 2004.

### Current year

	2021 £	2020 £
Income	2,600,337	1,413,592
Expenditure	(2,049,677)	(1,283,745)
<b>Net Income for the year</b>	<b>550,659</b>	<b>129,847</b>
Foreign currency translation adjustments gain/(loss)	(213,358)	102,073
<b>Net movement in funds</b>	<b>337,301</b>	<b>231,920</b>

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
<b>Net assets</b>	<b>505,592</b>	<b>1,668,387</b>	<b>2,173,979</b>	<b>1,836,678</b>

### Prior year comparative

	2020 £	2019 £
Income	1,413,592	1,213,526
Expenditure	(1,283,745)	(1,191,919)
<b>Net Income for the year</b>	<b>129,847</b>	<b>21,607</b>
Foreign currency translation adjustments gain/(loss)	102,073	99,084
<b>Net movement in funds</b>	<b>231,920</b>	<b>120,691</b>

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
<b>Net assets</b>	<b>140,529</b>	<b>1,696,148</b>	<b>1,836,678</b>	<b>1,604,578</b>

In order to enhance the Resource Centre's presence and to facilitate charitable fundraising in the Australia, New Zealand and Pacific Region, the Trustees formed an Australian subsidiary, named BUSINESS AND HUMAN

RIGHTS RESOURCE CENTRE (AUSTRALIA, NEW ZEALAND AND PACIFIC) LIMITED, with BHRRRC as the sole member of that subsidiary on 6 July 2018.

The Directors of this Australian company are Amanda Sinclair, Justine Nolan and Philip Bloomer. The subsidiary is a public company limited by guarantee and is a registered charity with ACNC with effect from 06/07/2018.

## Current year

	2021 £	2020 £
Income	21,784	25,393
Expenditure	(21,784)	(31,719)
<b>Net (expenditure)/income for the year</b>	-	(6,326)
Foreign currency translation adjustments gain / (loss)	-	(197)
<b>Net movement in funds</b>	-	(6,523)

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
<b>Net assets</b>	-	-	-	-

## Prior year comparative

	2020 £	2019 £
Income	25,393	33,424
Expenditure	(31,719)	(26,901)
<b>Net (expenditure)/income for the year</b>	(6,326)	6,523
Foreign currency translation adjustments gain / (loss)	(197)	-
<b>Net movement in funds</b>	(6,523)	6,523

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
<b>Net assets</b>	-	-	-	6,344

In order to enhance the Resource Centre's presence and to facilitate charitable fundraising in Latin America Trustees formed a subsidiary in Colombia – named CENTRO DE INFORMACIÓN SOBRE EMPRESAS Y DERECHOS HUMANOS (BUSINESS AND HUMAN RIGHTS RESOURCE CENTRE) – a registered FOREIGN PRIVATE NON-PROFIT ORGANISATION with BHRRC as the sole member of that subsidiary registered on 10 May 2019. The legal representative is Amanda Romero-Medina.

Registered address: 28A Street #15-31 Of 301, Bogota DC Colombia.

## Current Year

	2021 £	2020 £
Income	148,830	132,639
Expenditure	(116,339)	(62,979)
<b>Net (expenditure)/income for the year</b>	<b>32,491</b>	<b>69,660</b>
Foreign currency translation adjustments gain / (loss)	(1,930)	(5,542)
<b>Net movement in funds</b>	<b>30,561</b>	<b>64,118</b>

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
<b>Net assets</b>		<b>94,679</b>	<b>94,679</b>	<b>64,118</b>

## Prior year comparative

	2020 £	2019 £
Income	132,639	-
Expenditure	(62,979)	-
<b>Net (expenditure)/income for the year</b>	<b>69,660</b>	<b>-</b>
Foreign currency translation adjustments gain / (loss)	(5,542)	-
<b>Net movement in funds</b>	<b>64,118</b>	<b>-</b>

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
<b>Net assets</b>	<b>-</b>	<b>64,118</b>	<b>64,118</b>	<b>-</b>



## 16. Financial performance of the charity

The Consolidated Statement of Financial Activities includes the results of the Business and Human Rights Resource Centre (US) Limited.

The summary financial performance of the UK charity alone is:

### Current year

	2021 £	2020 £
Income	1,408,850	1,835,752
Expenditure	(1,156,580)	(1,702,461)
<b>Net (expenditure)/income for the year</b>	<b>252,270</b>	<b>133,291</b>
Foreign Currency Translation Gain/Loss	-	-
<b>Net movement in funds</b>	<b>252,270</b>	<b>133,291</b>

### Prior year comparative

	2020 £	2019 £
Income	1,835,752	1,359,578
Expenditure	(1,702,461)	(1,286,328)
<b>Net (expenditure)/income for the year</b>	<b>133,291</b>	<b>73,250</b>
Foreign Currency Translation Gain/Loss	-	(779)
<b>Net movement in funds</b>	<b>133,291</b>	<b>72,471</b>

## Legal and Administrative Details

### Board

Shawna Bader-Blau, Paul Clough (Treasurer), Sumi Dhanarajan (stepped down December 2020), Mutuso Dhliwayo, Heather Grady, Michael Hirschhorn, Kirsty Jenkinson, Chris Jochnick (Chair), Seema Joshi, Komala Ramachandra, Isabel Ebert, César Rodríguez-Garavito (resigned 2021), Mila Rosenthal (stepped down December 2021).

### Principal address & registered office

2-8 Scrutton Street 2nd Floor  
London EC2A 4RT

### Auditors

MHA MacIntyre Hudson Rutland House  
148 Edmund Street  
Birmingham B3 2FD

### Bankers

Royal Bank of Scotland plc RBS London Corp Bank Centre  
PO Box 39952  
2 ½ Devonshire Square  
London EC2M 4XJ

### Solicitors

Bates Wells & Braithwaite 10 Queen Street Place  
London EC4R 1BE

