

Business and Human
Rights Resource Centre
Company number: 4555494
Charity number: 1096664

ANNUAL REPORT & ACCOUNTS

2015-2016

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Trustees' Report

The trustees present their report and the audited consolidated financial statements for the charity and its subsidiary for the year ending 31 March 2016.

About Us

Who We Are

We are an international non-governmental organization dedicated to promoting human rights and eradicating abuse. We track—fairly and objectively—the human rights impacts (both positive and negative) of thousands of companies around the world and encourage them to address human rights concerns raised by civil society. Our website, available in eight languages, is a valuable resource for businesses, civil society, governments, academics and journalists. The unique position of trust we are held in by civil society, trade unions, and companies, amongst others, makes us a powerful catalyst for increased awareness and change in even the most sensitive circumstances.



We provide global oversight with local understanding of on-the-ground contexts via our team of Regional Researchers based in 14 countries, and our offices in London and New York.

What We Do

- 1 Empower Advocates** We amplify the voices of victims of abuse to the international stage by drawing attention to under-the-radar cases and countries alongside those in the public eye. We also support advocates in civil society, business and governments in their efforts to defend and promote human rights through our interactive website whose data can be customised to meet their needs, as well as our Weekly Updates, civil society roundtables, blogs and briefings.
- 2 Strengthen Accountability** We support local communities and civil society by asking nearly 500 companies to address human rights concerns and providing companies with an opportunity to present their response in full. Our approach is fair and objective and creates a platform for constructive dialogue between business, civil society and local communities.
- 3 Build Transparency** We track the human rights policies and performance of over 6500 companies in over 180 countries and make this information available in multiple languages on our website—<http://www.business-humanrights.org/>

Tools We Use

Benchmarking, Documentation Projects, Research Missions, Roundtables

Company Response Mechanism, Corporate Legal Accountability Project

Website, Weekly Updates, Bulletins, Briefings

How We Work

We are committed to fairly and objectively reporting all sides of debates surrounding business and human rights issues.

We seek to strengthen and support the broad business and human rights movement, cooperating with partners around the world, with a strong commitment to the global South.

We are impact-focused.

We believe transformational and incremental change in business and human rights is driven by three complementary engines: civil society demands for markets to serve the common good and avoid abuse; voluntary action and innovation by progressive business; and governments changing their legal, regulatory, and incentives environment for business.

Overview of Activities

In 2015/16 Business and Human Rights Resource Centre continued to work with a global network of non-governmental organizations (NGOs) and companies to advance human rights in business and eradicate abuse.

Our activities continue to focus on three strategic priorities:

1. working to **empower human rights advocates** both within and outside companies to act to prevent and remedy human rights abuse by companies;
2. promoting **corporate accountability** and respect for human rights through maximising our company response mechanism to achieve greater impact;
3. increasing **transparency** of business impacts on human rights by collecting and publicising information to help victims and civil society, particularly in the global South, get their concerns heard.

Our publicly accessible website, www.business-humanrights.org, tracks the human rights impacts—positive and negative—of over 6500 companies worldwide. It links to news, studies, reports and commentaries in Arabic, Chinese, English, French, German, Portuguese, Russian and Spanish, with over 700,000 users from a wide range of sectors, including business, civil society, government, academia and the media. We cover the broad spectrum of human rights-related issues, with a focus on our three thematic priorities - labour rights, natural resources and the closing of the civic space. Our aim is to facilitate a constructive and informed discussion of business and human rights issues by presenting diverse viewpoints using a fair and objective approach.

We take up allegations of human rights abuse through our company response mechanism to help workers, communities and NGOs get companies to address these issues. We also provide companies with the opportunity to present their full response, which helps to ensure that our coverage is fair, and encourages companies to publicly address concerns raised by civil society.

We disseminate our free Weekly Update e-newsletter to nearly 16,000 subscribers worldwide. Within it, we highlight the top stories and breaking news in business and human rights, feature reports, studies and other relevant educational materials, and provide tools and guidance for companies, NGOs, and all others working in the field. Our Regional Researchers also conduct missions to meet local NGOs, companies, communities and victims of corporate abuse, and other relevant actors. These missions enable us to better understand local concerns and how best to draw attention to issues raised, which in turn helps us strengthen our work and impact.

The Resource Centre devotes sections of its online library to special portals on key themes and topical issues including modern slavery, major sporting events, human rights defenders and corporate legal accountability, as well as guidance and information on relevant international standards, such as the UN Guiding Principles on Business and Human Rights and the global debate on a proposed UN treaty on business and human rights. We also release regular bulletins and timely briefings that are well-received by experts and non-experts alike.

Highlights 2015-2016



2.1M
website visits

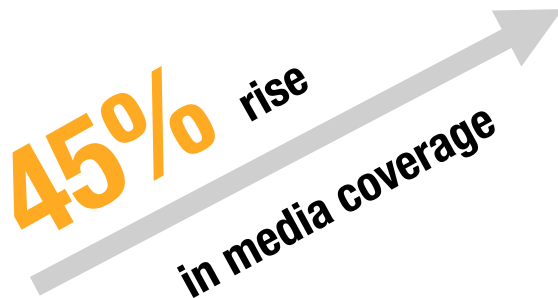
This year we received 2,122,319 visits to our website, an increase of 22% on the previous year's figure of 1,736,455. In 2013/14, we received 1,109,086 visits, meaning that in 2 years, visits to our website have increased by 91%.

140

connections made with local organizations



In 2015/16 we conducted 7 research missions to Azerbaijan, Brazil, China, Guatemala, Malaysia, Tanzania and Zimbabwe, where we prioritised meeting and collaborating with local advocates of business & human rights, and expanding our global network of partners.



Our work was covered 106 times by local, national and international media in 2015/16. This represented a 45% increase on the previous year's achievement of 73 items. And in the space of 2 years, we have seen coverage of our work in the mainstream media increase by over 500%.

491

approaches to companies on human rights

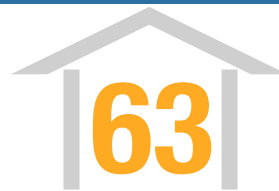
This year we sought 396 responses from companies on specific human rights allegations, with a global response rate of 81%. We also conducted proactive outreach to over 95 additional companies on specific concerns regarding their investments and operations in high-risk sectors and regions, bringing the total number of companies contacted to 491 in 2015/6.

RAFAEL



MARQUES

We invited leading diamond firms to issue statements in support of Rafael Marques de Morais who faced criminal defamation charges in Angola. We brought together a group of NGOs to develop an open letter calling on the government to drop the charges, signed by companies such as Tiffany & Co. For companies that did not sign, this process opened dialogue allowing us to discuss these issues with them, and generated discussion within the company.



63 approaches made regarding refugees

In 2015/16 we identified exploitation of refugees fleeing the conflict in Syria as an emerging critical business and human rights issue. We quickly reached out to garment brands to understand the measures they were taking to ensure refugees were not fleeing conflict into exploitative working conditions in the Turkish garment sector, catalysing action on this issue. We also asked major European companies to take a compassionate public stand to support refugees.

A Platform and Voice to Empower the Movement

In 2015/16 we laid the groundwork for a number of projects designed to empower human rights advocates both within and outside companies to act:

- The [Corporate Human Rights Benchmark](#) is an ambitious attempt by six organizations to rank the top 500 companies on their human rights policy, process and performance. Its ultimate goal is to harness the competitive nature of the markets to drive better human rights policy. This year we finalised the methodology for the benchmark, in consultation with over 400 companies, industry associations, investors, governments, civil society representatives, academics and lawyers.
- With the passing of the UK Modern Slavery Act 2015, companies with a global turnover of £36m that carry out business in the UK, are required to produce an annual slavery and human trafficking statement. In the absence of a mandatory requirement for companies to upload their statements to a government register, the Resource Centre began collating the statements in a free, searchable and dynamic database, to bring transparency and accountability.
- Concerns over labour rights abuses in the Gulf have hit the international spotlight recently, linked to Qatar's construction boom for the 2022 FIFA World Cup and Abu Dhabi's Saadiyat Island. To strengthen corporate transparency and accountability in Gulf construction, we are developing a platform to show the range of company approaches on worker welfare and employment conditions, and the differences between leaders and laggards.

A new platform for corporate action on human rights:

We created a new interactive [Business Action Platform](#) on our website to serve as a clear entry-point for corporate representatives by providing quick access to the latest advances (and failures) of companies on human rights issues.

Business people can use this platform to:

- Check news and reports of over 6500 companies worldwide;
- Locate examples of positive action on human rights by companies in all sectors;
- Access tools and guidance on implementing human rights commitments;
- Visit our [Company Action Platform](#), where 100 companies share information about their human rights policies and practices.

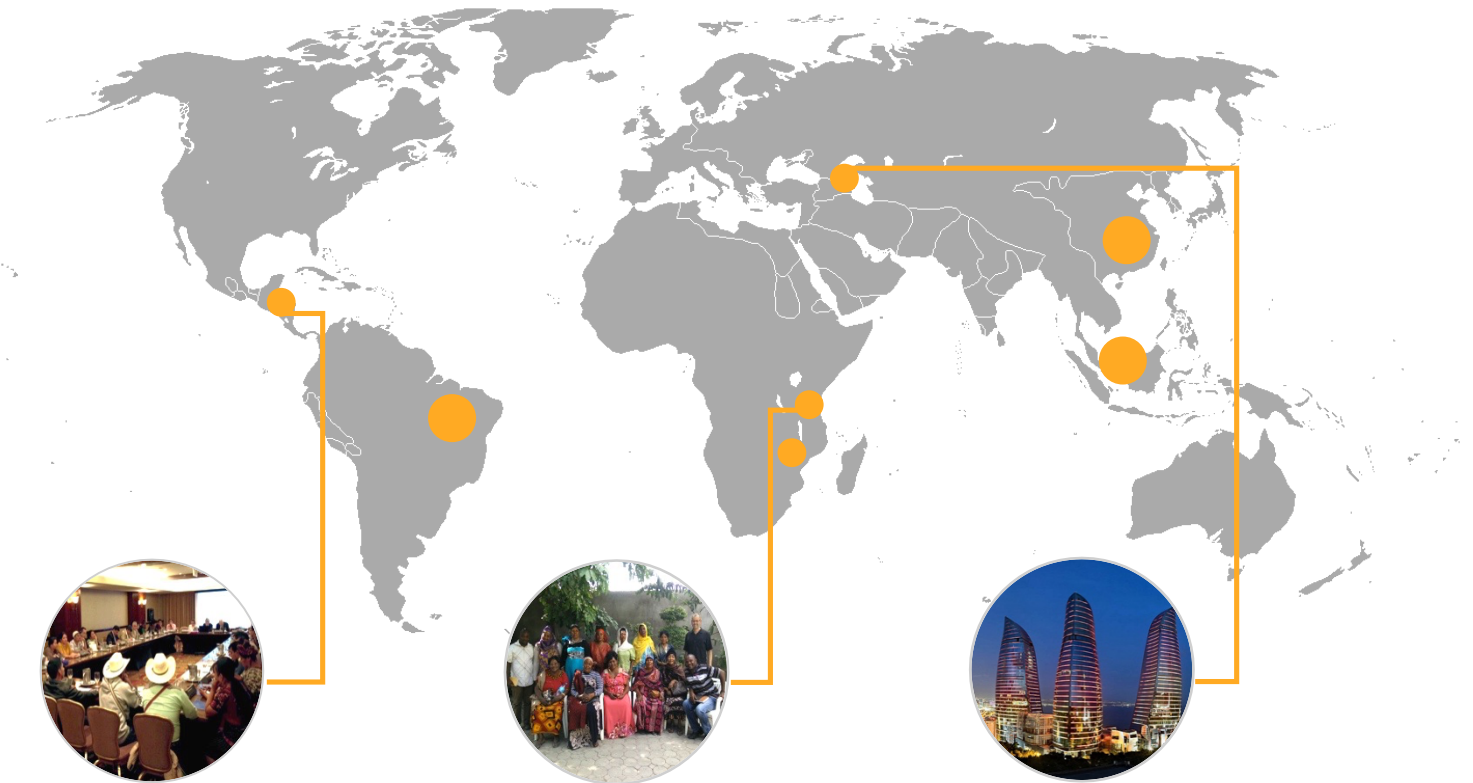
A new documentation checklist for human rights concerns:

We have introduced a new documentation “checklist” developed in partnership with International Network for Economic, Social & Cultural Rights (ESCR-Net) to local groups in Africa, Asia and Latin America. The checklist aims to assist local groups in creating initial documentation of a human rights incident involving business, acting as an essential first step to inform future strategies on awareness raising, engaging company headquarters and/or investors, litigation, connecting with NGOs who can provide support, and communicating with journalists. We are now working with local partners to operationalise and enhance the checklist; it is available in 10 languages, including Swahili, and we are encouraging groups to do additional translations.



Research missions to meet local human rights advocates:

We conducted seven research missions in 2015/16 to engage with civil society, business and other key local stakeholders in Azerbaijan, Brazil, China, Guatemala, Malaysia, Tanzania and Zimbabwe. Here are some key highlights:



Who: Karen Hudlet (Mexico, Central America & Caribbean Researcher) and Mauricio Lazala (Deputy Director)

Where: Guatemala

What: Met with local NGOs, companies, and government representatives regarding numerous barriers faced by civil society, including how government authorities side with companies, lack of capacity by government agencies, and the serious and large-scale persecution faced by human rights defenders. We are now planning a workshop for these defenders in how to influence companies to change their behaviour through the use of regional and international business and human rights mechanisms.

Who: Joseph Kibugu (Eastern Africa Researcher) and Greg Regaignon (Research Director)

Where: Tanzania

What: Met with villagers from several mining-affected communities in northern Tanzania, and co-organised a roundtable gathering with our local partner HakiMadini, where we learnt from local miners who had been evicted from their land to make way for large foreign mining companies. Since then we have been working with HakiMadini to document the human rights concerns of the local communities and bring them to the attention of the companies in question.

Who: Ella Skybenko (Eastern Europe & Central Asia Researcher) and Phil Bloomer (Executive Director)

Where: Azerbaijan

What: Ahead of the European Games and Formula One, we met with local NGOs, investigative journalists, lawyers of imprisoned human rights defenders and diplomats, all of whom expressed concern for the government's crack-down on civil society in Azerbaijan. Following the mission we have maintained good contact with these advocates on the ground and worked with one NGO to engage 13 companies on oil workers' rights abuses including non-payment of wages, discrimination, and health & safety violations.

A Global Driver of Corporate Accountability

We used our **company response mechanism** in innovative ways to push companies to publicly address human rights concerns. In May 2015, 74 workers were killed in a fire in Kentex Manufacturing’s footwear factory in Valenzuela city, Philippines. Little international attention was given to this case, so we reached out to our media contacts to produce an in-depth piece in the Guardian newspaper. We approached the company and their lawyers to obtain a detailed company response and worked with the Guardian to highlight the plight of these workers and their families.

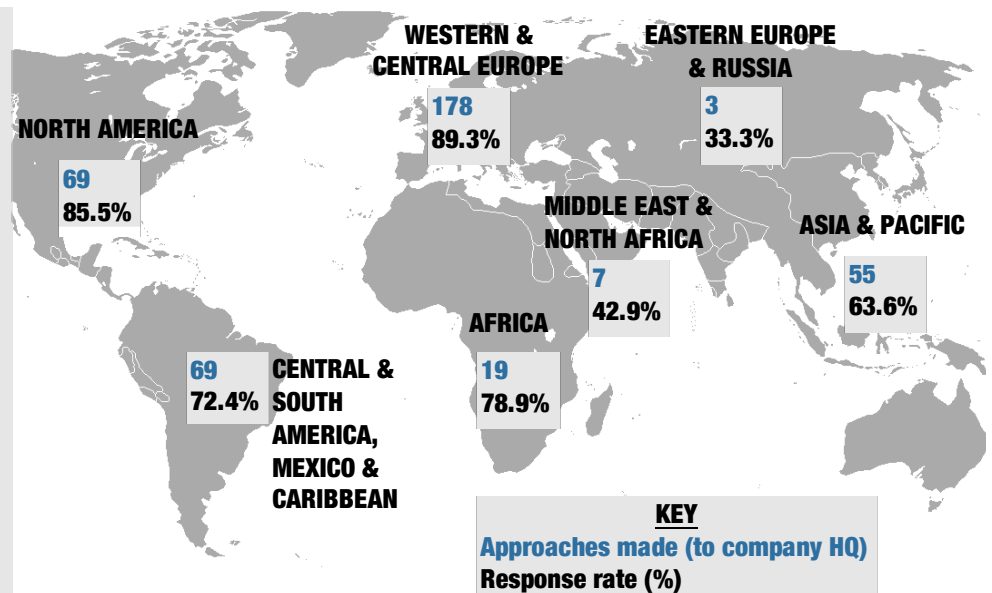
Our Company Response Mechanism

We are made aware of a public allegation against a company

We contact the company for a response

We publish the allegation with the response or an indication of a lack of response

Our new website now provides access to a searchable **database of company responses**, where users can search by company, sector, country headquarters, country of alleged abuse, and the allegation to which we invited the response. In 2015/16 we sought 396 responses from companies on specific allegations of human rights abuse; the current response rate is 81%.



Corporate Legal Accountability Programme

28,412

unique page views, up from 15,649 the previous year

130

iconic legal cases for redress to victims of abuse

13

additional case profiles on our portal

In order to make the portal more accessible to more advocates in the global South we launched our Quarterly Bulletin in Chinese; increased our coverage of lawsuits in under-represented regions; and made more case profiles available in Chinese, French, Russian and Spanish languages.

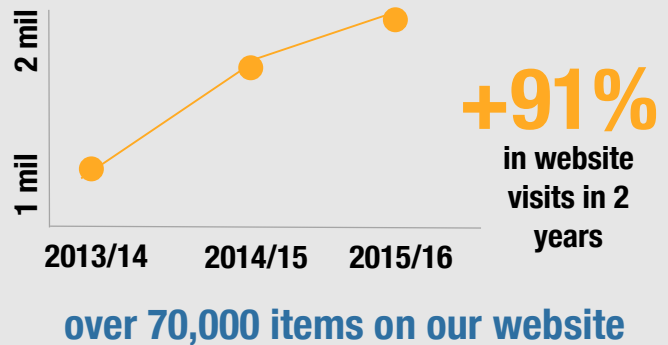
We also launched a blog series to highlight how lawyers are using creative innovation to open new avenues for communities and workers to gain remedy and justice when companies avoid accountability, and published interviews with lawyers to demonstrate what they have accomplished with the legal tools they have and the challenges they face in trying to hold companies legally accountable.

“ Your searchable database is very user friendly and provides us an easy way to look across industries and geographies to understand best practices and challenge our strategies accordingly. Thanks so much for your work and know that we will put it to good use. **-General Mills’ Executive Vice President for Supply Chain** ”

A Global Knowledge Hub to Build Transparency

Our Website

We continued to develop our multi-lingual website into an interactive platform to empower human rights advocates in civil society, companies, and governments. In 2015/16 we received over 2.1 million visits to our website, representing an overall increase of 22% from the previous year; we also saw a 47% rise in website traffic from countries in the global South.



Subscriptions to our global Weekly Update rose to over 15,800 representing a 10% annual increase. In 2015, we launched French, Spanish and German Updates, and the uptake has been positive, with a combined readership of over 1800, and click-through rates which exceed the industry average.

Global media coverage of our work grew considerably as a result of our stronger focus on communications with 106 media items in 2015/16. This is a 45% increase on the previous year.

As social media channels increasingly become a primary source for users to consume content, so we continued to grow our presence on these platforms. We also published 79 blogs on our website, adding our voice to current debates in the field of business and human rights.

We shifted away from producing annual and regional briefings, to make way for timely briefings on major issues or events in business and human rights. For example:

Syrian refugees in Turkish garment supply chains: An analysis of company action to address serious exploitation: Following reports of poor wages, child labour and sexual abuse, we conducted outreach to 28 garment brands sourcing from Turkey, on actions they are taking to protect refugees in their supply chains.



Media Coverage of Our Work

theguardian	Human rights and the future of Formula One
ASIAN CORRESPONDENT	Development for all: Protecting workers as economic integration sweeps Southeast Asia
FT FINANCIAL TIMES	Lacklustre compliance on anti-slavery law
sinemargo.mx	ONG internacional investiga a Mazda en México por despidos y acoso; la empresa lo niega



12k followers
+24%



4300 likes
+46%

Development for all, or a privileged few?: Business & human rights in Southeast Asia: The ten ASEAN member states set a target to integrate their economies into a highly competitive single market by the end of 2015. Whilst it could provide significant opportunities for decent work and improved livelihoods, this briefing demonstrates how workers and local communities will lose out, as rapid integration coincides with intimidation of human rights defenders, forced evictions, and workers' rights abuses.

Rights Extracted: Toward transparency & respect for human rights in mining, oil & gas in Francophone Africa: As the Organisation Internationale de la Francophonie held its second annual economic forum, the Resource Centre released analysis of 10 years of approaches to companies on allegations of human rights abuses in Francophone Africa.

Future Plans

The power and influence of the private sector over people’s lives grows daily – sometimes for good, but also with capacity for harm. There is an urgent need to strengthen global action to prevent corporate human rights abuses and to secure redress when they occur. The Resource Centre is an instrumental, effective catalyst for action in this field. Over the coming year, we will enhance our work and expand our impact in the following ways:

Empowering Advocates

Empower human rights advocates in civil society, business and other sectors to act to put human rights increasingly at the core of business models:

- Empower local African NGOs and communities affected by mining, oil and gas, and agribusiness by collaboratively testing and developing new tools and approaches to help them document company impacts, secure remedies, and achieve fairer negotiations with companies.
- Deliver the first ranking of the top 100 companies in the agricultural, apparel and extractive industries on their human rights policy, process and performance, through the Corporate Human Rights Benchmark.
- Help develop a global network of business leaders willing to take concerted action to protect those working in defense of human rights and civic freedoms and encourage other companies to follow their lead.
- Engage with governments in all regions to encourage and support their efforts to develop National Action Plans on business and human rights, as guidance to companies on integrating human rights into their operations.
- Undertake research missions to Central America (Honduras and/or Nicaragua), Africa (Kenya, Nigeria, Senegal, South Africa and/or Uganda), and Asia (Bangladesh, Cambodia, Pakistan and/or Vietnam) in order to strengthen and build relationships with local civil society, business and other stakeholders.

Strengthening Accountability

Promote public accountability and utilise our company response mechanism and corporate legal accountability programme to achieve greater impact for affected communities:

- Seek over 400 public responses from companies to allegations of human rights abuses and how they are incorporating a human rights lens into planned development projects.
- Ask new investors in Myanmar and Iran how they will ensure their workers will be treated fairly and paid a living wage.
- Conduct workshops with local partners and advocates in Africa, Asia and Latin America, e.g. in Indonesia on transboundary haze and deforestation impacts, to empower human rights lawyers to fully and effectively advocate for victims.

Building Transparency

Continue to track the human rights performance of companies worldwide, bringing particular attention to:

- Migrant workers in the Gulf construction industry facing labour rights abuses and harsh working and living conditions.
- Indigenous peoples in Latin America and Southeast Asia, displaced from their land by extractive firms.
- Communities in Africa subject to land grabs by agribusinesses.
- Employees of apparel factories in Asia working in slave-like conditions, and injured or killed in fires or building collapses.
- Human rights defenders worldwide vulnerable to persecution and sometimes death for advocating against the action of companies.

Board & Global Team

Board

Christine Bader (until Jun 2015), **Sumi Dhanarajan**, **Peter Frankental**, **Heather Grady**, **Michael Hirschhorn** (from Nov 2015), **Kristy Jenkinson**, **Chris Jochnick** (Chair from Nov 2015), **Ulf Karlberg** (Co-Chair until Jun 2015), **Christopher Marsden OBE** (Chair until Nov 2015), **Ed McKinley**, **Kathleen Parsons** (Treasurer from Jun 2015), **Tanya Peterson**, **Hanna Roberts**, **César Rodríguez-Garavito**, **Dr. Mila Rosenthal**, **Amahl Smith** (Treasurer until Jun 2015), **Ashwini Sukthankar**, **Anne Travers**

Global Team

Elodie Aba, Senior Legal Researcher
Joseph Bardwell, Corporate Accountability & Communications Officer
Julie Berlin, UK-Europe Development Director (from Jan 2016)
Phil Bloomer, Executive Director
Ciara Dowd, Legal Researcher (from Jun 2016)
Alex Janczenia, Administration & Programme Support Officer
Mauricio Lazala, Deputy Director, UK
Lee Rodwell, UK-Europe Development Director (until Jan 2016)
Lakshmi Samarakoon, Finance Officer
Annabel Short, Programme Director (until Apr 2016); Deputy Director, USA (from Apr 2016)
Patricia Surak, Senior Development Director
Sif Thorgeirsson, Manager, Corporate Legal Accountability Project (until Jun 2016)
Gregory Tzeuschler Regaignon, Research Director
Felicitas Weber, KnowTheChain Project Lead (from May 2016)
Ana Zbona, Civic Space & Human Rights Defenders Project Manager (from Jul 2016)

AFRICA

Aliou Diouf, Francophone Africa Researcher & Representative
Joseph Kibugu, Eastern Africa Researcher & Representative
Joy Mabenge, Anglophone Southern & Western Africa Researcher & Representative (from Nov 2015)
Nokukhanya Mncwabe, Anglophone Southern & Western Africa Researcher & Representative (until Nov 2015)

ASIA

Lowell Chow, East Asia Researcher & Representative
Harpreet Kaur, Senior South Asia Researcher & Representative
Wai Wai Lwin, Myanmar Foreign Investment Tracking Project Manager (from Feb 2016)
Bobbie Sta. Maria, Southeast Asia Researcher & Representative (maternity leave from Mar 2015 to Sep 2015)
Irene Pietropaoli, Southeast Asia Researcher & Representative (maternity cover from Mar 2015 to Sep 2015)
Saul Takahashi, Japan Researcher & Representative
Huang Zhong, Greater China Researcher & Representative (from Jul 2016)

EUROPE & CENTRAL ASIA

Isabel Ebert, Consultant/Representative, German-language network
Eniko Horvath, Senior Researcher
Danielle McMullan, Senior Researcher
Ella Skybenko, Eastern Europe & Central Asia Researcher & Representative

LATIN AMERICA

Karen Hudlet, Mexico, Central America & the Caribbean Researcher & Representative
Julia Mello Neiva, Senior Brazil, Portugal & Portuguese-speaking Africa Researcher & Representative
Amanda Romero Medina, Senior Researcher & Representative for South America

MIDDLE EAST

Mariam Bhacker, Project Manager, Gulf Construction & Migrant Workers (from Feb 2016)
Bahaa Ezzelarab, Middle East & North Africa Researcher & Representative (from Feb 2016)
Farah Ismail, Middle East & North Africa Researcher & Representative (until Jan 2016)

INTERNS: Helena Alty, Meg Avery, Léna Chiaravalli, Hugo Chow, Toka Davani, Ciara Dowd, Taylor Fulton, Lesedi Graveline, Marta Herrera, Sonia Hierzig, Claire Jeffery, Emily Kaufman, Camille Le Pors, Kasumi Maeda, Anthony Patrone, Aderayo Sanusi, Olga Fernández Sixto, Rachel Tang, Katie Youtz

The areas of diversity most strongly reflected by our staff, board and interns are gender, race and national origin. For example our current Global Team, board and interns (a total of 48 people) include nationals of 27 countries: Botswana, Brazil, Canada, China, Colombia, Egypt, France, Germany, Hungary, India, Ireland, Japan, Kenya, Malaysia, Mexico, Myanmar, Oman, Philippines, Senegal, Slovenia, South Africa, Spain, Sweden, UK, Ukraine, USA and Zimbabwe.

The Resource Centre's work benefits hugely from its dedicated interns. This year the Resource Centre was assisted by 19 interns, nationals of Canada, China, Denmark, France, Ireland, Japan, Luxembourg, Spain, Taiwan, UK and USA. Each worked for a 3-6 month period, assisting with the Centre's global research and outreach. They receive an extensive induction and training programme, are supervised and supported by our staff throughout their internship, and participate in the organization's Global Team meetings.

Structure & 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. 4555494). 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. This entity is treated as a subsidiary for the purpose of producing group accounts.

Methods adopted for the recruitment and appointment of new trustees:

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 trustee meeting.

Policies and procedures for the induction and training 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 Chair. They are provided with information about the Resource Centre's work, policies, procedures, audited accounts and Memorandum and Articles of Association. Prior to each bi-annual trustee meeting, trustees are sent a detailed staff report describing achievements and challenges over the past six months, and identifying issues on the horizon.

Organizational structure of the charity:

The trustees are responsible for the governance of the charity and ensure that Business and Human Rights Resource Centre 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. The trustees meet twice a year (this year on 26 June 2015 and 2 November 2015) and sub-committees covering development, Board membership, finance and administration meet quarterly.

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 President of Ireland, 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>.

Related parties/subsidiaries:

The Resource Centre's US subsidiary is a tax-exempt non-profit organization under section 501(c)(3) of the Internal Revenue Code. The Resource Centre's US-based activities are carried out in conjunction with those of the UK charity, and managed by the Executive Director.

Goals & 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 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 financial statements comply with the 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.

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 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:

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

Risk Management

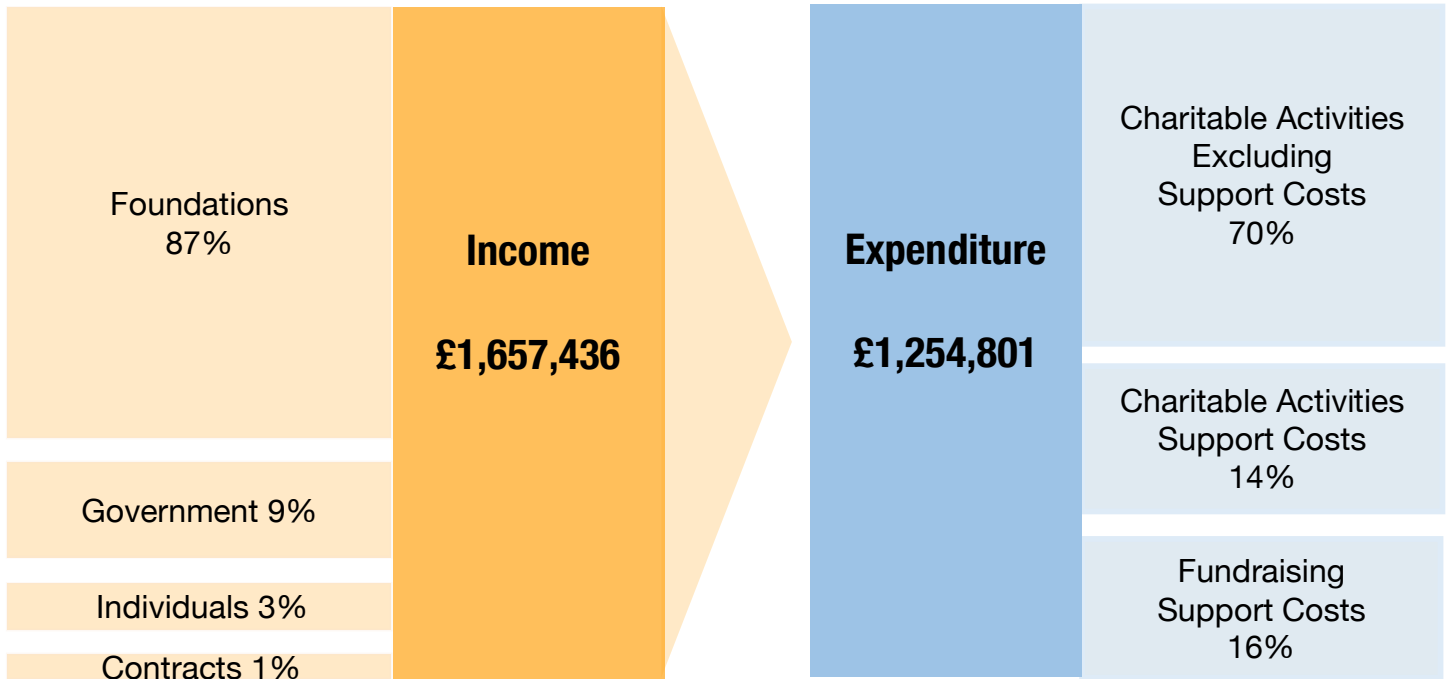
The trustees have a risk management strategy which comprises:

- 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; and
- 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.

Risk	Management
Financial sustainability	<ul style="list-style-type: none"> • Maintain a high level and respect for our demonstrated impact and relevance to business and human rights. Ensure that view is shared by 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 quarterly 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	<ul style="list-style-type: none"> • Rigorous annual budgeting and ongoing management reporting and monitoring of financial performance through tools developed in-house such as the fund tracker. • 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 quarterly 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	<ul style="list-style-type: none"> • 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)	<ul style="list-style-type: none"> • 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 mainly funded by a range of foundations, government foreign ministries and individuals. To avoid any perception of conflict of interest, the Resource Centre has a policy not to accept donations from companies, corporate foundations, or serving senior executives at major corporations.

The highest proportion of our income comes from foundations. We are pleased to report growth in income from foundations and individuals raising our overall income to £1,657,436. This was 67% higher than the previous year due to multiyear grants from several foundations including Ford Foundation, Open Society Foundations, and grants from new foundations including Wallace Global Fund.

Income from governments decreased. We are actively seeking new sources of government funding and further developing existing relationships with government bodies to restore this income stream.

We are also developing collaborative partnerships in the field of business and human rights. One example, with the Institute for Human Rights and Business, will create a comprehensive benchmarking process. 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.

Towards the end of the year we entered into a contractual relationship with Humanity United where we are working in partnership with them and other organizations on KnowTheChain, a project that will benchmark companies in at-risk sectors on their efforts to eradicate forced labour from their supply chains.

Expenditure:

Our total expenditure increased by 18% in the year to £1,254,801. This expenditure was funded by income generated in the year and partly by funds brought forward, in particular the Adessium Foundation and Oak Foundation grants brought forward from previous years and funds received during the year from Ford Foundation and Open Society Foundations.

Expenditure on our charitable activities increased by 22% or £189,083 in the year to £1,053,090.

£1,053,090

Empowering Advocates

54%

**Strengthening
Accountability**

30%

Building Transparency

16%

During the year we increased headcount by three. We recruited a project manager for a new project funded by Humanity United which began in early January 2016 and aims to improve working conditions for migrant workers in the construction industry in Qatar and United Arab Emirates. We also engaged a part-time project consultant to work on further development of our German website content funded by the German Federal Ministry of Economic Cooperation and Development supported by GIZ, and a part-time research consultant to work on the second phase of our Myanmar foreign investment tracking project funded by Open Society Foundations. We paid a portion of the Dutch Foreign Ministry funds to our project partner, Institute for Human Rights and Business.

Our investment in retaining and incorporating our Communications and Corporate Accountability Officer into our core expenditure yielded returns by way of considerably strengthening our global media coverage and social media presence and will continue to do so as we advance our communications capabilities.

During the year the Resource Centre has continued to improve and enhance its 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. The fund tracking system continues to be developed and improved and is now being used extensively to provide in-depth analyses of our income, expenditure and reserves for internal management and control purposes.

Reserves:

The trustees view the holding of unrestricted free reserves as an integral part of risk management. Our reserves policy 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 reserves policy is kept under periodic review and reserves levels will be adjusted as perceptions of risk and other factors change. During the year, the Board of Trustees reviewed the reserves policy and agreed the minimum reserves level should be £350,000, with a target range of £350,000 to £450,000. 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.

We generated free reserves of £70,000 for the year. With a brought forward free reserve of £20,005 generated in financial year 2014/15, there is a cumulative free reserve of £90,005 as at the end of financial year 2015/16. This represents approximately one month of charitable expenditure out of general funds.

Reconciliation of funds carried forward to reserves	2016	2015
Group (Global)	£	£
Funds carried forward (as per SoFA)	1,154,228	723,964
Less:		
Restricted funds	(243,591)	(381,170)
Designated funds	-	(135,765)
Unrestricted funds	910,637	207,029
Less:		
FX gain	(27,629)	(23,344)
Unrestricted funds recognised in the year but for use in future years	(764,992)	(163,680)
Designated reserves *	(48,016)	-
Free reserves	70,000	20,005

* Designated reserves have been ear-marked for the recruitment of a third fundraiser as per our strategic plan.

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

Adessium Foundation
Ford Foundation
Humanity United
Oak Foundation
Open Society Foundations
National Endowment for Democracy
Ruth Turner Fund
Wallace Global Fund
Two anonymous private foundations

Governments

German Federal Ministry of Economic Cooperation and Development, supported by the German Agency for International Cooperation (GIZ)
Ministry of Foreign Affairs, Kingdom of the Netherlands
The Swiss Confederation, represented by the Swiss Federal Department of Foreign Affairs

Individuals

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

In preparing this trustees' / directors' report, advantage has been taken of the small companies' exemption.

This report was approved by the trustees on 4/10/2016.



Kathleen Parsons

Trustee/Treasurer

Independent auditors' report to the members of BUSINESS AND HUMAN RIGHTS RESOURCE CENTRE

We have audited the financial statements of Business and Human Rights Resource Centre for the year ended 31 March 2016 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

This report is made solely to the charity's trustees and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 151 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees and 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 charity and the charity's trustees and members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, 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.

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 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 Financial Reporting Council's (FRC'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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report 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 charitable company's affairs as at 31 March 2016, 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies exemption in preparing the directors' report or the exemption from the requirements to prepare a strategic report.

MHA MacIntyre Hudson

Helen Blundell LLB FCA FCIE DChA (Senior Statutory Auditor)

for and on behalf of MHA MacIntyre Hudson (Statutory Auditor)

Chartered Accountants and Registered Auditors

Statutory Auditors

Rutland House

148 Edmund Street

Birmingham

West Midlands

B3 2FD

Date: 4 /10/2016

Financial Statements

Consolidated Financial Statement of Activities

Incorporating the income and expenditure account

For the year ended 31 March 2016

	Notes	Unrestricted		Restricted	2016	2015
		General	Designated			
		£	£	£	£	£
Income from:						
Donations and legacies	2	1,309,726	-	-	1,309,726	378,800
Charitable activities	3	19,881	-	327,743	347,624	613,116
Investments	4	86	-	-	86	44
Total Income		1,329,693	-	327,743	1,657,436	991,960
Expenditure						
Costs of raising funds	5	201,711	-	-	201,711	195,860
Expenditure on charitable activities	5	452,003	135,765	465,322	1,053,090	864,007
Total resources expended		653,714	135,765	465,322	1,254,801	1,059,867
Net income/(expenditure) for the year		675,979	(135,765)	(137,579)	402,635	(67,907)
Other recognised gains and losses						
Gain/(loss) on revaluation of foreign currency subsidiary		27,629	-	-	27,629	23,344
Net movement in funds		703,608	(135,765)	(137,579)	430,264	(44,563)
Fund balance brought forward		207,029	135,765	381,170	723,964	768,527
Fund balances carried forward		910,637	-	243,591	1,154,228	723,964

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.

Financial Statements**Consolidated and Charity Balance sheets**

As at 31 March 2016

Company number: 4555494

	Notes	2016		2015	
		Group (Global) £	Charity (UK) £	Group (Global) £	Charity (UK) £
Fixed assets					
Tangible assets	9	44,175	42,483	63,299	63,299
		<u>44,175</u>	<u>42,483</u>	<u>63,299</u>	<u>63,299</u>
Current assets					
Debtors	10	719,289	141,177	229,137	197,173
Cash at bank and in hand		505,176	401,329	525,255	239,191
		<u>1,224,465</u>	<u>542,506</u>	<u>754,392</u>	<u>436,364</u>
Creditors: amounts falling due within one year	11	<u>114,412</u>	<u>86,634</u>	<u>93,727</u>	<u>69,125</u>
Net current assets		<u>1,110,053</u>	<u>455,872</u>	<u>660,665</u>	<u>367,239</u>
Total assets less current liabilities		<u>1,154,228</u>	<u>498,355</u>	<u>723,964</u>	<u>430,538</u>
Represented by					
Unrestricted funds	12	910,637	397,719	207,029	217,113
Designated funds	12	-	-	135,765	-
Restricted funds	12	<u>243,591</u>	<u>100,636</u>	<u>381,170</u>	<u>213,425</u>
		<u>1,154,228</u>	<u>498,355</u>	<u>723,964</u>	<u>430,538</u>

The accompanying notes form an integral part of these financial statements.

The accounts on pages 22 to 39 were approved by the Trustees and authorised for issue on and 4/10/2016 signed on their behalf by



Kathleen Parsons
Trustee

Financial Statements

Consolidated Statement of Cash Flows

For the year ended 31 March 2016

	Notes	2016 £	2015 £
Reconciliation of net income to net cash flow from operating activities			
Net income for the reporting period (as per the statement of financial activities)		430,264	(44,563)
Adjustments for:			
Add back depreciation charges	9	31,804	23,845
Decrease (increase) in debtors	10	(490,152)	172,157
Increase (decrease) in creditors	11	20,685	24,294
Net cash provided by / (used in) operating activities		(7,399)	175,733
Statement of cash flows			
Cash flows from operating activities:			
Net cash provided by / (used in) operating activities		(7,399)	175,733
Cash flows from investing activities:			
Purchase of tangible fixed assets	9	(12,680)	(48,365)
Net cash (used in) / provided by investing activities		(12,680)	(48,365)
Change in cash and cash equivalents in the reporting period		(20,079)	127,368
Cash and cash equivalents at the beginning of the reporting period		525,255	397,887
Cash and cash equivalents at the end of the reporting period		505,176	525,255

Notes to the accounts

For the year ended 31 March 2016

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. These financial statements for the year ended 31 March 2016 are the first financial statements that comply with 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 which is a wholly owned subsidiary of the Charity.

The financial statements are prepared in sterling which is the functional 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.

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 & 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 costing £5,000 or more 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%
Website development	-	33%

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 (USD) 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) Transition to FRS 102

The opening fund balances at the transition date have been restated (see note n) due to liability for holiday pay but no subsequent restatement of items has been required in making the transition to FRS 102. The transition date was 1 April 2014.

n) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

At the date of transition in applying the requirement to recognise liabilities arising from employee benefits, a liability was recognised for short-term compensated absence arising from employee entitlement to paid annual leave. The initial liability recognised at the date of transition was for the holiday entitlement carried forward and for the entitlement arising in the year which was due but not taken. The initial liability was for £11,781. No other restatements were required. In accordance with FRS 102 a reconciliation of opening balances is provided below.

Reconciliation of group funds and balances	1 April 2014 £	31 March 2015 £
Fund balances as previously stated	780,308	735,745
Short-term compensated absences	(11,781)	(11,781)
Fund balances as restated	<u>768,527</u>	<u>723,964</u>

2 Income from donations and legacies

	2016 £	2015 £
Group (Global)		
Grants from foundations and governments:		
Norwegian Government	-	37,350
Anonymous Private Foundation	99,403	61,985
Ford Foundation	662,686	-
Adessium Foundation	19,383	116,301
Wallace Global	19,881	-
Anonymous	33,134	-
Open Society Foundations	404,239	123,970
The Ruth Turner Fund	16,567	15,496
Individual donations	54,433	23,698
	<u>1,309,726</u>	<u>378,800</u>

In 2014/15 of income from donations and legacies £378,800 was from unrestricted funds.

3 Income from charitable activities

	2016 £	2015 £
Group (Global)		
Building transparency	112,533	250,237
Strengthening accountability	112,533	250,237
Empowering advocates	122,558	112,642
	<u>347,624</u>	<u>613,116</u>
Grants which fund charitable activities:		
Oak Foundation	77,500	77,500
Environmental Justice Organisations, Liabilities and Trade	-	8,667
Adessium Foundation	-	33,550
Anonymous Private Donor	-	30,992
Ford Foundation	-	51,138
Ministry of Foreign Affairs, Kingdom of the Netherlands	-	155,293
Swiss Federal Department of Foreign Affairs	32,705	-
Open Society Foundations	-	77,358
German Federal Ministry of Economic Cooperation and Development supported by GIZ	52,920	62,500
UK Foreign & Commonwealth Office	-	89,000
Humanity United (Qatar & UAE)	105,473	-
Humanity United (Know The Chain)	19,881	-
National Endowment for Democracy	59,145	27,118
	<u>347,624</u>	<u>613,116</u>

In 2014/15 of income from charitable activities £613,116 was from restricted funds.

4 Investment income

	2016 £	2015 £
Bank interest receivable	86	44
	<u>86</u>	<u>44</u>

In 2014/15 of investment income £44 was from unrestricted funds.

5 Expenditure

	Direct costs	Support costs	Total 2016	Total 2015
	£	£	£	£
Raising funds				
Fundraising	-	201,711	201,711	195,860
Sub-total	-	201,711	201,711	195,860
Charitable activities				
Building transparency	135,992	26,966	162,958	141,102
Strengthening accountability	264,117	53,082	317,199	248,331
Empowering advocates	480,040	92,893	572,933	474,574
Sub-total	880,149	172,941	1,053,090	864,007
Total	880,149	374,652	1,254,801	1,059,867

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

In 2014/15 of expenditure on raising funds £195,860 related to support costs and of expenditure on charitable activities £744,711 and £119,296 related to direct costs and support costs respectively.

6 Support costs by activity

	Raising funds	Building transparency	Strengthening accountability	Empowering advocates	Total 2016	Total 2015
	£	£		£	£	£
Raising funds						
Central management	43,066	-	-	-	43,066	52,813
Central finance, administration and human resources	15,528	11,447	25,925	41,730	94,630	82,451
Fundraising	129,880	7,465	7,464	14,931	159,740	138,189
Communications	3,656	5,515	11,068	16,655	36,894	18,411
Central facilities	7,250	843	2,863	6,500	17,456	17,025
Governance	2,331	1,696	5,762	13,077	22,866	6,267
Total	201,711	26,966	53,082	92,893	374,652	315,156

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

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 the costs of trustee meetings and external audits.

Comparatives for 2015 have been restated under the Charities SORP (FRS 102) for £37,517 of governance costs, which were previously disclosed separately on the SOFA, rather than included under support costs.

7 Global Team Costs

The average number of employees during the year was 13.4 (2015: 13.1) (full time equivalents). The average number of part-time researchers working as consultants / independent contractors during the year was 14 (2015: 11.8)

	2016	2015
	£	£
Staff costs during the year amounted to:		
Wages and salaries	605,532	542,595
Social security costs	59,498	54,696
Employer's pension contributions	38,568	30,209
	<u>703,598</u>	<u>627,500</u>
Other staff related costs (including travel)	51,575	39,862
Part-time senior & regional researchers; consultants*	333,037	220,832
	<u>1,088,210</u>	<u>888,194</u>

*Consultancy costs: Regional researchers are paid as consultants, given that they work as part-time independent contractors. Additional consultancy costs include our New York-based independent fundraising consultant as well as consultants working on specific projects which are funded by restricted grants. Included within this consultancy cost is the portion of the Dutch Foreign Ministry grant paid to our project partners Institute for Human Rights and Business with whom we collaborated on the Corporate Human Rights Benchmark project.

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

	2016	2015
£60,000 to £70,000	0	1
£70,000 to £80,000	2	1

Retirement benefits are paid under a defined contribution scheme. The total employer pension contributions paid were £24,296 for the year (2014/15: £24,124) with £14,272 (2014/15: £6,085) owing

as at 31 March 2016. Employer pension contributions in respect of the higher paid staff were £17,190 (2014/15: £7,385) with £4,212 (2014/15: £3,415) owing at year end.

No trustee, nor any person connected with them, received any remuneration from the charity. Four trustees were reimbursed expenses totalling £2,947 (2014/15: £199 – one trustee) for travel expenses in connection with their duties as a trustee.

The key management personnel comprise the trustees, the Executive Director, UK Deputy Director, US Deputy Director, Research Director and Senior Development Director. The total employee benefits of the key management personnel were £369,080 (2015: £341,542). This includes gross pay, employers National Insurance and pensions.

8 Net (expenditure)/income for the year

This is stated after charging:

	2016 £	2015 £
Depreciation	31,804	23,845
Auditor's remuneration		
- cost of audit (inc VAT)	<u>6,267</u>	<u>4,408</u>

9 Tangible fixed assets – Group (Global)

	Website £	Computer equipment £	Total £
Cost			
1 April 2015	90,980	20,916	111,896
Additions	<u>12,680</u>	<u>-</u>	<u>12,680</u>
31 March 2016	<u>103,660</u>	<u>20,916</u>	<u>124,576</u>
Depreciation			
1 April 2015	27,681	20,916	48,597
Charge for the year	<u>31,804</u>	<u>-</u>	<u>31,804</u>
31 March 2016	<u>59,485</u>	<u>20,916</u>	<u>80,401</u>
Net book value			
31 March 2016	<u>44,175</u>	<u>-</u>	<u>44,175</u>
31 March 2015	<u>63,299</u>	<u>-</u>	<u>63,299</u>

Tangible fixed assets – Charity (UK)

	Website £	Computer equipment £	Total £
Cost			
1 April 2015	90,980	18,074	109,054
Additions	10,215	-	10,215
31 March 2016	101,195	18,074	119,269
Depreciation			
1 April 2015	27,681	18,074	45,755
Charge for the year	31,031	-	31,031
31 March 2016	58,712	18,074	76,786
Net book value			
31 March 2016	42,483	-	42,483
31 March 2015	63,299	-	63,299

10 Debtors

	2016		2015	
	Group (Global) £	Charity (UK) £	Group (Global) £	Charity (UK) £
Due within one year				
Other Debtors / Prepayments	25,736	20,949	22,178	17,854
Grant debtor	693,553	112,128	206,959	171,567
Loan to subsidiary undertaking	-	8,100	-	7,752
	719,289	141,177	229,137	197,173

11 Creditors: amounts falling due within one year

	2016		2015	
	Group (Global) £	Charity (UK) £	Group (Global) £	Charity (UK) £
Accruals / Other creditors	99,666	71,888	64,044	39,442
Deferred income	-	-	19,383	19,383
Tax and social security creditors	14,746	14,746	10,300	10,300
	<u>114,412</u>	<u>86,634</u>	<u>93,727</u>	<u>69,125</u>

	2016	2015
	£	£
Deferred income:		
Deferred income brought forward	19,383	-
Amounts released	(19,383)	-
Income deferred in the year	-	19,383
Deferred income carried forward	<u>-</u>	<u>19,383</u>

12 Funds – Group (Global)

	Balance at 1/4/15 £	Income £	Expenditure £	Currency gain/(loss) £	Balance at 31/3/16 £
Restricted funds					
Oak Foundation	45,208	77,500	(45,208)	-	77,500
Ministry of Foreign Affairs, Kingdom of the Netherlands	131,973	-	(131,973)	-	-
Chris Avery Legacy Fund	40,021	-	(1,574)	-	38,447
Swiss Federal Department of Foreign Affairs	-	32,705	(32,705)	-	-
German Federal Ministry of Economic Cooperation and Development, supported by GIZ	-	52,920	(29,784)	-	23,136
Adessium Foundation	36,244	-	(36,244)	-	-
Humanity United – Qatar & UAE	-	105,473	(37,798)	-	67,675
Humanity United – Know The Chain	-	19,881	(19,881)	-	-
Ford Foundation	44,303	-	(25,842)	-	18,461
Open Society Foundations – (New Director's Fund)	37,677	-	(28,220)	-	9,457
Open Society Foundations	6,554	-	(6,554)	-	-
National Endowment for Democracy	10,223	59,145	(60,453)	-	8,915
Anonymous Private Donor	28,967	-	(28,967)	-	-
Restricted funds	<u>381,170</u>	<u>347,624</u>	<u>(485,203)</u>	<u>-</u>	<u>243,591</u>
Unrestricted funds					
Designated fund: Ford Foundation	135,765	-	(135,765)	-	-
General fund	<u>207,029</u>	<u>1,309,812</u>	<u>(633,833)</u>	<u>27,629</u>	<u>910,637</u>
Total unrestricted funds	<u>342,794</u>	<u>1,309,812</u>	<u>(769,598)</u>	<u>27,629</u>	<u>910,637</u>
Total funds	<u>723,964</u>	<u>1,657,436</u>	<u>(1,254,801)</u>	<u>27,629</u>	<u>1,154,228</u>

Charity (UK)

	Balance at 1/4/15 £	Income £	Expenditure £	Currency gain/(loss) £	Balance at 31/3/16 £
Restricted funds					
Oak Foundation	45,208	77,500	(45,208)	-	77,500
Ministry of Foreign Affairs, Kingdom of the Netherlands	131,973	-	(131,973)	-	-
Swiss Federal Department of Foreign Affairs	-	32,705	(32,705)	-	-
German Federal Ministry of Economic Cooperation and Development, supported by GIZ	-	52,920	(29,784)	-	23,136
Adessium Foundation	<u>36,244</u>	<u>-</u>	<u>(36,244)</u>	<u>-</u>	<u>-</u>
Restricted funds	<u>213,425</u>	<u>163,125</u>	<u>(275,914)</u>	<u>-</u>	<u>100,636</u>
Unrestricted funds: General fund	<u>217,113</u>	<u>843,377</u>	<u>(663,120)</u>	<u>349</u>	<u>397,719</u>
Total funds	<u>430,538</u>	<u>1,006,502</u>	<u>(939,034)</u>	<u>349</u>	<u>498,355</u>

13 Analysis of net assets between funds – Group (Global)

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
Tangible assets	44,175	-	44,175	63,299
Net current assets	866,462	243,591	1,110,053	660,665
Net assets	910,637	243,591	1,154,228	723,964

Analysis of net assets between funds – Charity (UK)

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
Tangible assets	42,483	-	42,483	63,299
Net current assets	355,236	100,636	455,872	370,540
Net assets	397,719	100,636	498,355	433,839

14 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 BHRRC as the sole member of that corporation on 27 February 2004.

The Directors of this US Corporation are Ulf Karlberg (Chair until Jun 2015), Michael Hirschhorn (from November 2015), Mila Rosenthal, Christine Bader (until Jun 2015), Christopher Marsden (until Nov 2015), Cesar Rodriguez Garavito, Heather Grady, Kirsty Jenkinson, Chris Jochnick (Chair from Jul 2015), Edward McKinley, Tanya Peterson, Ashwini Sukthankar and Anne Travers.

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

			2016	2015
			£	£
Incoming resources			1,467,897	437,532
Resources expended			(1,129,429)	(827,043)
Net (expenditure)/income for the year			338,468	(389,511)
	Unrestricted	Restricted	2016	2015
	£	£	Total	Total
			£	£
Net assets	512,918	142,955	655,873	290,125

15 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:

			2016	2015
			£	£
Incoming resources			1,006,502	1,014,706
Resources expended			(942,335)	(704,779)
Net income/(expenditure) for the year			64,167	309,927

16 Financial instruments

The carrying amounts of the financial instruments are as follows:

	2016		2015	
	Group £	Charity £	Group £	Charity £
Financial assets debt instruments measured at amortised cost	1,128,693	440,682	739,407	423,082
Financial liabilities measured at amortised cost	89,065	61,287	83,426	58,824

Financial assets include bank, grants receivable, intercompany loans receivable and other debtors, excluding prepayments.

Financial liabilities include accruals, other creditors and deferred income.

Legal & Administrative Details

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Rutland House
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B3 2FD

Bankers

Royal Bank of Scotland plc
36 St Andrew Square
Edinburgh
EH2 2YB

Solicitors

Bates Wells & Braithwaite
10 Queen Street Place
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