

Business and Human
Rights Resource Centre

Company number: 04555494

Charity number: 1096664

ANNUAL REPORT & ACCOUNTS

2016 - 2017

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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 2017.

Foreword by the Chair and Executive Director

The year has seen extraordinary changes in the landscape of business and human rights. The continuing collapse of public trust in global markets has contributed to the rise of populism and nationalism. In the public mind, economic globalisation is increasingly associated in rich and poorer countries with poverty wages, precarious jobs, unregulated corporations and rising inequality.

Grassroots, and civil society organisations have for years sought to humanise markets and ensure they deliver more shared prosperity and security. The loss of public trust is now spurring responsible governments and businesses to accelerate their efforts to reform markets so they work for public good as well as private gain. Putting human rights at the heart of business operations and supply chains is a major part of the solution. In 2016/17, Business and Human Rights Resource Centre has been one of the actors at the centre of this proposition. We have helped to contribute to the achievements of our partners and allies around the world in many ways. For this foreword we'll highlight just four areas that related directly to the changing global context.

Regarding the **refugee and migrant crisis** in 2016/17: with Turkish and Syrian refugee organisations, we continued to help bring the world's attention to the plight of Syrian refugees working in the Turkish apparel factories, often paid half the minimum wage. We benchmarked the high-street fashion brands sourcing from these factories on their efforts to protect refugees from abuse. With the results, we praised leading companies, like Next, and revealed the many others who were doing too little. When we repeated the benchmark six months later, we registered a marked improvement in policy and practice of many brands.

Regarding **rising inequality** as a driver of human rights abuse in business, we focused work to support the movement to eliminate modern slavery. We ranked 60 companies in three high-risk sectors to inform investors, the public, and young talent, of the leading and laggard companies. We established the global registry for company compliance statements for the UK Modern Slavery Act, which had around 1800 statements by March 2017. And we benchmarked 100 construction companies in the Gulf regarding their employment of migrant workers from South Asia. We were also part of the joint effort, with investors, to deliver the Corporate Human Rights Benchmark, with its emphasis on labour rights, in March 2017. We have heard directly from human rights advocates in many companies that these efforts have strengthened their work, and have encouraged significant changes in policy and practice.

Regarding the **rise of authoritarian nationalisms**, we created and delivered a whole new programme of work to strengthen our support for the protection of civic freedoms and human rights defenders. We have taken up many more cases of human rights defenders under attack, - from Russia, to Brazil, Honduras, Thailand, and Kenya. We held workshops across Africa to support and defend the efforts of civil society to sustain open societies and civic freedoms. We brought some of the largest global businesses together to help them design strategies to support open societies where responsible business can thrive. We created a major new portal on our site to support advocates in civil society and business to learn best practice from each other.

Regarding the **ecological crisis the world faces**, we supported the work of human rights organisations, governments, and business. We benchmarked renewable companies on their commitment to human rights in their investments. This arose from the increasing allegations of land and water grabs by indigenous communities. We worked with investors to create an 'investor briefing' to ensure that the fast transition to low carbon we desperately need, is also a fair one. We supported the Philippines Human Rights Commission on their landmark investigation on the responsibility of oil and coal companies for the worsening damage to poor communities through climate change. With partners, we also held a legal workshop in South East Asia on the regional haze, that developed new strategies to challenge the companies most responsible.

This Annual Report provides an overview of our mission, strategies, and programmes, alongside our financials for the year. We are grateful to all our funders for their generous support and partnership in our endeavours. Without this trust in the effectiveness of our work, we would not have been able to achieve the impact we have in 2016/17. We also deeply thank all our partners and allies in civil society, business, and governments who have freely collaborated and cooperated with us. Many of these partners work in difficult or dangerous situations, and their courage and commitment to human rights in business is a constant source of inspiration to our Global Team around the world.



Chris Jochnick
Chair



Phil Bloomer
Executive Director

About Us

Who We Are

We are an international civil society 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 communities and workers in their operations and supply chains.



Our website, available in eight languages, is a valuable resource for civil society, business, 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 researchers and consultants, covering all countries of the world, and based in Australia, Brazil, China, Colombia, Egypt, Hong Kong, India, Japan, Jordan, Kenya, Mexico, Myanmar, Philippines, Senegal, South Africa, UK, Ukraine and USA. They are supported by our three offices in London, New York, and Washington DC. Our international Board of Trustees consists of former business people, human rights, development and environmental advocates and academics.

What We Do

1

Empower Advocates: We empower those on the front-line of advocating for human rights in civil society, business or government, by giving them the vital tools to ensure human rights inform negotiations and decisions.

- Our Regional Researchers go to local communities to understand the impacts of companies on the ground, and regularly consult with business and government officials.
- We support advocates in civil society, business and governments in their efforts to defend and promote human rights through regional roundtables, trainings and workshops.
- 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.

2

Strengthen Accountability: We support communities and civil society to gain remedy and justice from companies when abuse occurs, and provide companies with an opportunity to present their response in full.

- We have made over 3500 approaches to companies asking them to respond to specific human rights allegations. Our global response rate is 75%.
- We systematically follow up on company responses, pursuing companies that fail to respond adequately to allegations of egregious abuse.
- 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 7000 companies in over 180 countries and make this information publicly available.

- Our website is a global knowledge hub for business and human rights, delivering up-to-date and comprehensive news in eight languages.
- Our free Weekly Update e-newsletter has over 17,000 subscribers worldwide, including academics, civil society, businesspeople, governments and investors.
- Our briefings and analysis synthesize the work of hundreds of advocates across the world and make recommendations for companies, governments, regions and sectors.

Overview of Activities

In 2016/17 the 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 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 7000 companies worldwide. It links to news, studies, reports and commentaries in Arabic, Chinese, English, French, German, Portuguese, Russian and Spanish, with over 900,000 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—strengthening labour rights, promoting responsible natural resource use and protecting civic freedoms and human rights defenders. 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 17,000 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, civil society organizations, and all others working in the field. Our Regional Researchers also conduct country missions to meet local organizations, 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 used by experts and non-experts alike in their work.

HIGHLIGHTS 2016 - 2017

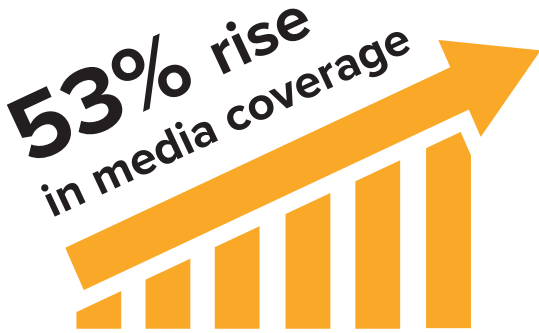


We received 2,316,099 visits to our website this year, an increase of nearly 10% on the previous year's figure.



400 cases of attacks on human rights defenders documented

We launched a database of attacks against human rights defenders working on corporate accountability issues, and we continue to add new cases to the database on an on-going basis.



Our work was covered 162 times by local, national and international media. This represented a 53% increase on the previous year's achievement. Our Twitter following increased by 19% and Facebook likes were up 32%. We also published 48 blogs on topical business and human rights issues.



731 approaches to companies on human rights

This included 338 approaches regarding specific allegations of abuse, to which the global response rate was 75%. In addition to our regular company response process, we conducted 393 proactive approaches to companies regarding the disclosure of their policies and practices in specific contexts, generating discussion about best practices.



Our Labour Rights Researcher, Danielle McMullan, featured on the BBC's Panorama programme, 'Undercover: The Refugees Who Make Our Clothes'. The investigative documentary exposed the exploitative working conditions of Syrian refugees in the Turkish garment industry, supplying major high-street clothing brands in Europe.

Missions & trainings in



24 countries

This year we conducted 14 research missions and organised 18 trainings, workshops and regional roundtables in 24 countries around the world.

A Platform and Voice to Empower the Movement

In 2016/17 we launched several projects designed to empower human rights advocates, outside and within companies to act:

Corporate Human Rights Benchmark

We launched the inaugural results of the Corporate Human Rights Benchmark (CHRB), in collaboration with investors and research organizations Aviva, APG, Calvert, VBDO, Nordea, EIRIS, and the Institute for Human Rights and Business. 98 of the world's largest publicly traded companies from the agricultural products, apparel and extractives industries were ranked on their corporate human rights policies and performance. The methodology was developed following a rigorous consultation process with over 400 companies, industry associations, investors, governments, civil society representatives, academics and lawyers. The results demonstrated the need for vast improvement; all but six companies scored under 50%, with the average score only 28%. They also showed that whilst companies generally respond to public allegations and have policies in place, performance falls away when it comes to taking appropriate remedial action. This collaboration between investors, investor-focused research groups and human rights organizations is better equipping the financial markets to understand human rights risk – therefore creating additional incentives for corporate change.

Community Action Platform

Responding to requests for more direct support from community-based groups, especially in Africa, we sought to make it easier for them to communicate the human rights impacts of extractive companies and to begin to right the imbalance of power in their relations and negotiations with companies. In 2016, we carried out a series of workshops in Senegal, South Africa and Tanzania, reaching 42 civil society organizations from 20 countries across Africa. We presented the checklist we created with International Network for Economic, Social and Cultural Rights (ESCR-Net) for local communities to document cases of corporate human rights abuse, as well as other monitoring and impact assessment tools. We gathered these and other experiences in an online Community Action Platform, with case studies, tools and resources, and a directory of practitioners to facilitate peer learning exchanges, in English and French.

Business, Civic Freedoms and Human Rights Defenders Portal and Business Network

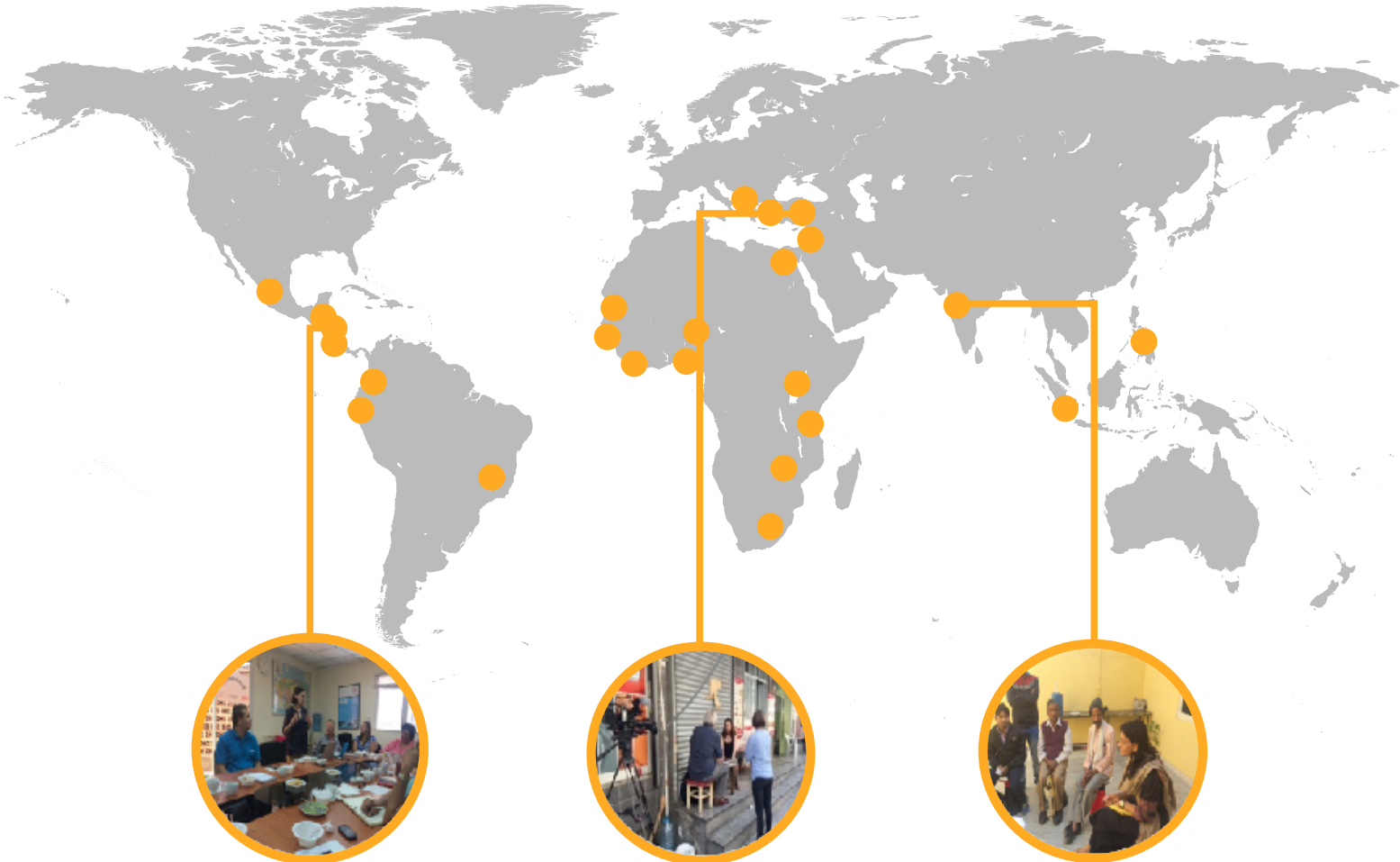
Civic freedoms are shrinking in many countries around the world, and attacks on human rights defenders (HRDs) continue unabated. The role of businesses in contributing to this situation is significant. To help address this issues, we launched an interactive portal of case-studies, interviews and strategies for action tailored to companies, HRDs, and civil society. It includes a database of over 400 cases of attacks against defenders working on corporate accountability issues. We facilitated the creation of a Business Network of progressive companies and business associations to lead the way for the protection of civic freedoms and HRDs. And we workshops for HRDs in Africa (Niger, Nigeria, Sierra Leone), Asia (Philippines), and Latin America (Colombia, Guatemala, Mexico). provided training and capacity building

National Action Plans

We played a critical role in pushing for the development of National Action Plans (NAPs) on implementing the UN Guiding Principles on business and human rights. Our Regional Researchers were involved in the NAP consultation processes in Colombia, Germany, Kenya Mexico, and Switzerland, which included representatives from civil society, business and government.

Research missions and trainings to support local human rights advocates in 24 countries:

In 2016/17 the Resource Centre conducted 14 research missions to engage with civil society, business and other key stakeholders, and hosted 18 capacity building workshops, trainings and regional roundtables:



Who: Karen Hudlet (Mexico, Central America & Caribbean Researcher) and Amanda Romero (Senior Researcher for South America)

Who: Danielle McMullan (Senior Researcher) and Joseph Bardwell (Corporate Accountability & Communications Officer)

Who: Harpreet Kaur (Senior South Asia Researcher) and Annabel Short (Deputy Director, North America)

Where: Honduras

Where: Turkey

Where: India

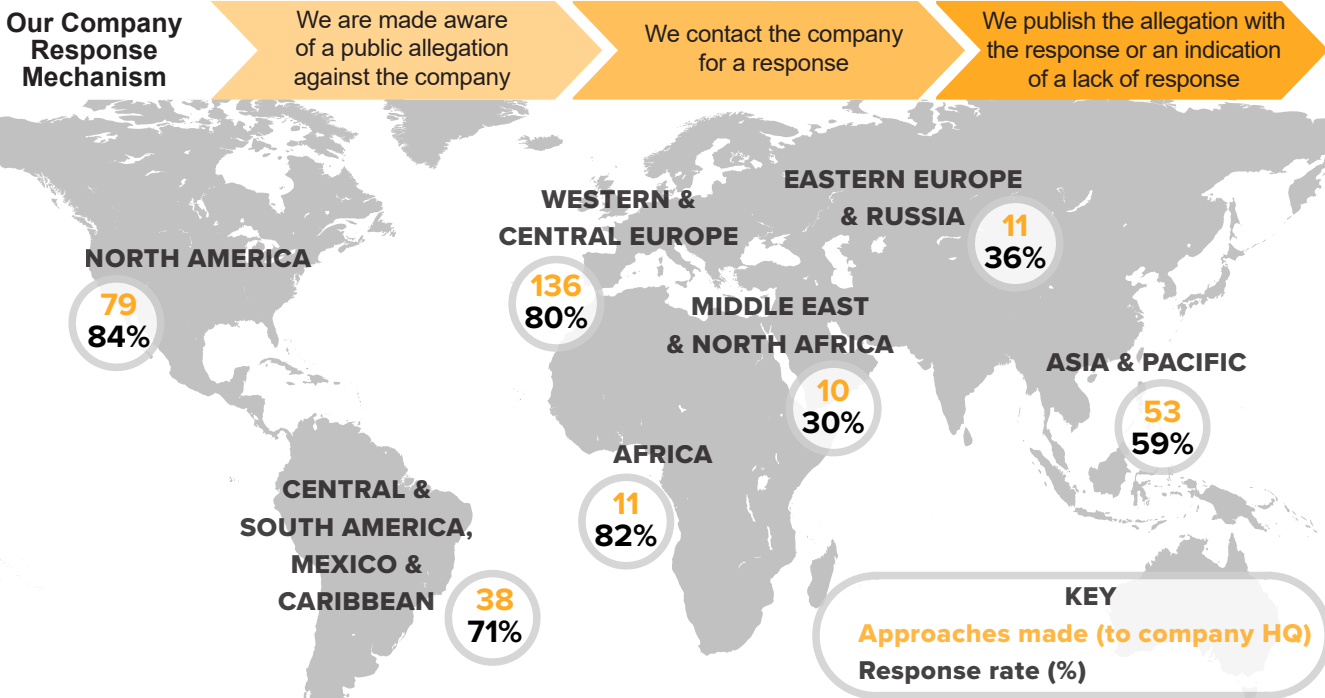
What: We co-organized two roundtables with local partner Plataforma Internacional contra la Impunidad (International Platform against Impunity), for civil society organizations working on business and human rights. We met with organizations we have been working with on cases related to business abuses in Honduras, and cultivated a network of contacts to increase our visibility in-country.

What: We carried out field research into the exploitation of Syrian refugees in Turkish garment supply chains. We visited key garment districts in Istanbul, met with civil society organizations and conducted interviews with Syrian refugee workers, many of whom reported instances of discrimination, child labour, pay below minimum wage, and verbal/physical abuse by employers.

What: We visited industrial zones and spoke with workers in car manufacturing and construction. In addition to restrictions on freedom of association, most reported dangerous working conditions in factories and lack of health and safety regulations. Some workers had even lost their fingers as a result of malfunctioning machinery. We also learnt from local NGOs of the shrinking civil society space and rising nationalism in India.

A Global Driver of Corporate Accountability

We amplified victims' voices, and their advocates', by seeking 338 responses from companies to civil society concerns and company policy issues in 2016/17, with a 75% global response rate. In addition to our regular company response process, we conducted proactive outreach to an additional 393 companies regarding the disclosure of their policies and practices in specific contexts, and generating discussion about best practices. Projects included KnowTheChain, Syrian refugees in the Turkish garment industry, Modern Slavery Act Registry, migrant workers in the Gulf construction industry (more details given on these projects below).



Corporate Legal Accountability Programme

29,816
page views of the portal

146
iconic legal cases for redress to victims of abuse

16
additional case profiles on our portal

The Corporate Legal Accountability Portal is the second most popular section of our website, and we continued our regular coverage of corporate human rights abuse lawsuits via this portal. We published quarterly bulletins highlighting key developments, new cases profiles, updates to existing profiles, and other news in Chinese, English, French, Russian and Spanish.

We also hosted a workshop in Indonesia on recourse for victims of transboundary haze impacts. Haze or air pollution due to deforestation fires in palm oil and other agribusiness operations have become a seasonal occurrence in Indonesia, Malaysia, and Singapore. In 2015, El Niño exacerbated these effects, causing unprecedented environmental and health impacts. Some studies suggested the haze may have caused the premature deaths of more than 100,000 people in south-east Asia in 2015. The gathering of 23 legal, human rights, and environmental advocates working on the issue was an opportunity to share information about their efforts, discuss methods for holding corporate companies accountable for worsening transboundary haze impacts, and empower human rights lawyers to fully and effectively advocate for victims. Since the mission, participants have kept in regular contact via email, sharing useful resources and events, and ways to continue collaboration on corporate accountability and toxic haze.

A Global Knowledge Hub to Build Transparency

KnowTheChain: Ranking companies on action against forced labour

KnowTheChain is an initiative of Business and Human Rights Resource Centre, Humanity United, Verité, and Sustainalytics to rank companies on their efforts to eradicate forced labour from their global supply chains. In June 2016, the project launched the results of its first benchmark—a ranking of 20 Information Communication and Technology (ICT) companies including Apple, Cisco, Hitachi and Samsung. Following excellent feedback on the first benchmark, the team released two additional benchmarks: food and beverage, including Coca-Cola, Nestlé, PepsiCo and Unilever; and apparel and footwear, including Adidas, Gap and H&M. 60 companies were benchmarked, each selected on the basis of their size (market cap) and the extent to which they have risks of forced labour in their supply chains.

Migrants in the Gulf: Promoting worker rights in the construction industry

Concerns over labour rights abuses in the Gulf have hit the international spotlight in recent years, linked to Qatar's unprecedented construction boom for the 2022 FIFA World Cup, and Abu Dhabi's Saadiyat Island and Expo 2020 development. In 2016 we invited 100 construction companies to respond to questions on their approach to ensuring the rights of migrant workers in their Gulf operations and supply chains. Our analysis found a shocking lack of transparency on the steps companies are taking to address risks of forced labor, with only 22 responding to our survey and just 39% having publicly available human rights commitments. However one company, Multiplex, recently launched a timeline for the development of worker welfare policies, which was partly triggered by our outreach, and we are now engaging companies publicly on the policies and practices they have in place to mitigate against migrant worker abuse.

Modern Slavery Act Registry: Monitoring implementation of UK legislation

We launched a free, public registry to monitor the release of company statements under the UK Modern Slavery Act, and allow comparison and benchmarking of companies' policy and practice. It contains over 1800 statements and grows daily; investors use it to assess company risks; consumers and activists use it to reward leading companies and press laggards to act; and companies use it to learn from their peers and make comparisons to their competitors. We also conducted an analysis of 27 company statements produced so far by FTSE 100 companies under the Act. With their resources and experience these companies should be leading the rest, and their performance can be used as a litmus test for business action to combat slavery. Our analysis revealed patchy compliance, although a handful of reports increased efforts and policy change. The full briefing, released in October, was covered by the Financial Times.

Syrian Refugees in Turkey: Protecting against exploitation in the garment sector

In February 2016 we released an analysis of results of outreach to 28 European fashion brands to understand the measures they were taking to ensure Syrian refugees were not fleeing conflict into exploitative working conditions in the Turkish garment sector. The report was widely covered in the media, and in the days following our report, at least 6 brands signed up to a child labour remediation programme in Turkey. Activists on the ground told us that the briefing, and particularly the considerable media coverage of our findings, galvanized the brands to take action. In July, we conducted a mission to Turkey to follow up on these cases, accompanied by a second round of approaches to the original 28 brands and 11 new brands. The second report, launched in October 2016, analysed the brands' progress in their policies and practices addressing this area of human rights risk.

Future Plans

Business and Human Rights Resource Centre is at the core of the movement to empower advocates around the world to put human rights at the heart of business. We not only generate some of the most powerful information on the highest-risk issues; we also act as the free and public digital action platform for the work of organisations and individuals around the world who share our goal.

Our vision and strategy for the next three years includes expanded efforts to:

- Empower advocates globally by providing an optimal digital experience after conducting a full overhaul of our digital communications, with the support of an advisory committee that includes like-minded colleagues from Stanford University's Computer Science Department and Silicon Valley.
- Further empower grassroots organisations and communities through direct support in training, and documentation of abuse, to advice and support on negotiation and legal avenues. This involves greater regionalization and localization of our global team into the regions they are located.
- Drive change in business through a 'race to the top' on human rights, including through benchmarking and ranking initiatives and deeper analysis, in order to provide a rich reputation reward for leading companies, and greater reputation risk for laggards. Embed change by encouraging governments to be bolder and more consistent in law-making, regulation, incentives, and access to justice, leveraging our expertise and experience to advocate for human rights entered policies and decisions.

Over the coming year, we will enhance our work and expand our impact in the following ways:

Empowering Advocates

Support human rights advocates in civil society, business and other sectors to encourage companies to put human rights at the core of their business models:

- Catalyse business action to protect civic freedoms and those who defend human rights, through the continued development of a network of business leaders willing to take action to protect them.
- Help develop local civil society organizations to empower communities affected by business operations to advocate for their rights, through workshops and other training and resources.
- Undertake research missions to Africa (South Africa, Mozambique, DRC and/or Zimbabwe), Asia (Cambodia, Indonesia and/or Myanmar) and Latin America (Brazil and/or Venezuela) to build and strengthen relationships with civil society, business and other stakeholders.

Strengthening Accountability

Promote public accountability of business impacts and improve respect for human rights by companies:

- Approach companies for public responses to civil society concerns and allegations of abuse.
- Ask investors in high-risk 'investment hot spots' (like Iran and Myanmar) or sectors (such as construction, hospitality) to make commitments to ensure they will respect human rights throughout their operations, track these, and hold them accountable for their actions.
- Enhance victims' access to legal resources and remedies by developing case profiles of ongoing lawsuits, expanding our directory of lawyers working on cases of human rights abuse involving companies, and spotlighting legal gaps through bulletins and briefings.

Building Transparency

Track the policies and performance of companies and increase transparency of business impacts on human rights:

- Provide reputation reward for business leaders on human rights, and encourage greater disclosure by companies through our co-leadership in key initiatives, including KnowTheChain and the Modern Slavery Act Registry.
- Support refugee and migrant workers facing labour rights abuses across the MENA region, by highlighting best practices by companies, supporting peer-learning through workshops, and engaging with relevant actors to encourage a mix of voluntary action, regulation and market incentives.
- Organize and support local, regional and international forums, including the UN Forum on Business and Human Rights in Geneva, and the World Economic Forum in Latin America

Board & Global Team

BOARD

Sumi Dhanarajan, Peter Frankental (until Jun 2017), **Heather Grady, Michael Hirschhorn, Kristy Jenkinson, Chris Jochnick** (Chair), **Seema Joshi** (from Jun 2017), **Ed McKinley** (until Oct 2016), **Kathleen Parsons** (Treasurer), **Tanya Peterson, Komala Ramachandra** (from Jun 2017), **Hanna Roberts** (until Jun 2017), **César Rodríguez-Garavito, Dr. Mila Rosenthal, Ashwini Sukthankar, Anne Travers**

GLOBAL TEAM

Elodie Aba, Interim Corporate Legal Accountability Project Manager (maternity leave from Oct 2017)
Joseph Bardwell, Corporate Accountability & Communications Officer
Julie Berlin, UK-Europe Development Director (until Dec 2016)
Phil Bloomer, Executive Director
Marion Cadier, Corporate Legal Accountability Researcher (maternity cover from Oct 2017)
Patricia Carrier, UK Modern Slavery Act Registry Project Manager (from Aug 2016)
Cara Casey-Boyce, Communications Assistant (from Feb 2017 until Jul 2017)
Katarzyna Cisicka, Temporary Finance Assistant (from Jul 2017)
Ciara Dowd, Legal Researcher (until Apr 2017)
Marti Flacks, Deputy Director & Head of North America Office (from May 2017)
Alex Janczenia, Administration & Programme Support Officer (until Dec 2016); Development Officer (from Dec 2016)
Mauricio Lazala, Deputy Director & Head of Europe Office
Anna Liberadzki, Administration & Programme Support Officer (from Feb 2017)
Rosie Monaghan, KnowTheChain Research Assistant (from Jun 2017)
Lakshmi Samarakoon, Finance Officer
Annabel Short, Deputy Director, North America (until Mar 2017)
Patricia Surak, Senior Development Director
Gregory Tzeuschler Regaignon, Research Director (until Aug 2017)
Felicitas Weber, KnowTheChain Project Lead (from May 2016)
Tanika West, Development Manager for Europe (from Jan 2017)
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

ASIA

Golda Benjamin, Southeast Asia Researcher & Representative (from Mar 2017)
Lowell Chow, Senior Researcher & Representative for Greater China
Jose Jello Cubelo, Southeast Asia Research Assistant (from Jul 2017)
Priti Darooka, South Asia Researcher & Representative (from Sept 2017)
Harpreet Kaur, Senior South Asia Researcher & Representative (until Jul 2017)
Wai Wai Lwin, Myanmar Foreign Investment Tracking Project Manager
Amy Sinclair, Regional Consultant (from Jan to Jul 2017); Australia, New Zealand and the Pacific Researcher & Representative (from Jul 2017)
Bobbie Sta. Maria, Southeast Asia Researcher & Representative (until Mar 2017); Program Manager, Asia (from Mar 2017 until Aug 2017); Director, Labour Rights & Asia (from Aug 2017)
Saul Takahashi, Japan Researcher & Representative
Huang Zhong, Greater China Researcher & Representative (from Jul 2016)

EUROPE & CENTRAL ASIA

Isabel Ebert, Consultant, German-language network (until Oct 2016); Western Europe Researcher & Representative (from Oct 2016)
Christen Dobson, Senior Project Lead & Researcher (maternity cover from May 2017)
Samentha Goethals, Senior Researcher, Labour Rights (maternity cover from Nov 2016)
Eniko Horvath, Senior Researcher (maternity leave from May 2017)
Danielle McMullan, Senior Researcher (maternity leave from Dec 2016)
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

Bahaa Ezzelarab, Middle East & North Africa Researcher & Representative

Malik Habayeb, Middle East Research & Outreach Assistant (from Aug 2016)

Ezzeldeen Al Natour, Jordan & Lebanon Researcher & Representative (from Apr 2017)

INTERNS: Meritxell Abellan, Andrew Alford, Isobel Archer, Meg Avery, Cara Casey-Boyce, Eduardo Castillo, Taylor Fulton, Leonor Gomes, Lesedi Graveline, Simon Hagenah, Marta Herrera, Lisanne Joisten, Anastasiya Koroleva, Michelle Lai, Louise Lap, Jenny Lin, Jillianne Lyon, Kasumi Maeda, Emily McDuff, Carole Menard, Angela Luz Patino, Camille Le Pors, Sherif Rizk, Chisato Sakamoto, Aderayo Sanusi, Amy Simon, Gheeeun Song, Sonja Stara, Sietske van Hees, Julia Velho, Saskia Wilks, Katie Youtz.

The areas of diversity most strongly reflected by our staff, Board and interns are gender, race and national origin. The current Global Team, Board and interns (a total of 63 people) include nationals of 30 countries: Australia, Brazil, Canada, China, Colombia, Egypt, France, Germany, Hungary, India, Japan, Jordan, Kenya, Malaysia, Mexico, Myanmar, Netherlands, Oman, Palestine, Philippines, Poland, Portugal, Senegal, Slovenia, South Korea, Spain, UK, Ukraine, USA and Zimbabwe. Our Leadership Team is 60% female.

The Resource Centre's work benefits hugely from its dedicated interns. This year the Resource Centre was assisted by 32 interns, nationals of Austria, China, Colombia, Egypt, France, Germany, Japan, Mexico, Netherlands, Nigeria, Portugal, Russia, South Korea, Spain, 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. 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. This entity is treated as a subsidiary for the purpose of producing group accounts.

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 4 April 2016 and 4 October 2016) 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>.

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.

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 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:

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

Risk **Management**

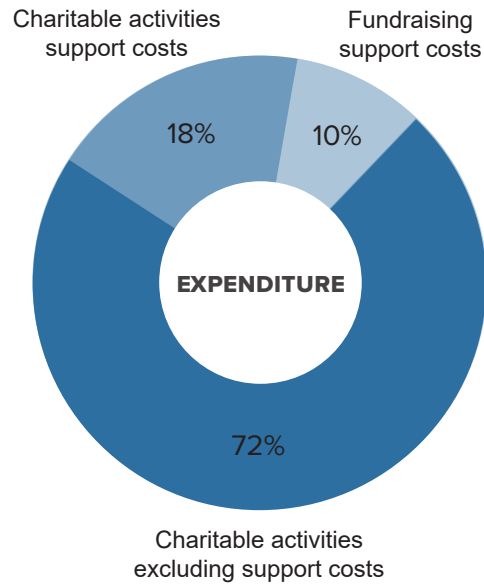
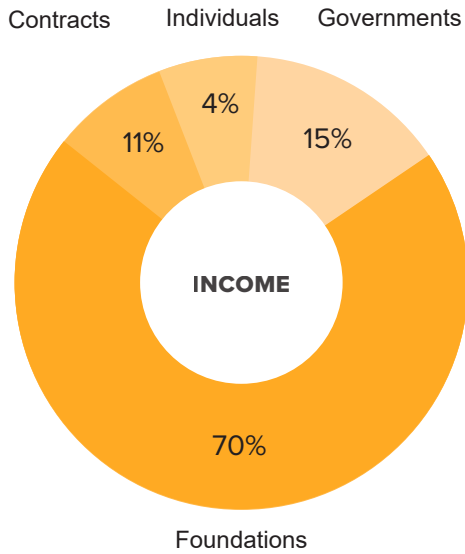
Staff and volunteers' security and safety in regions of heightened risk

- 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 mainly funded by a range of foundations, government foreign ministries and individuals. To maintain our independence the Business and Human Rights Resource Centre will avoid any conflict of interest or reputation risk by not accepting donations directly from companies and will review 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 comes from foundations. We achieved a similar level of income as in 2015/16. We were successful in securing twice as much project funding than in 2015/16. A proportion of our core costs have continued to be funded by multiyear core grants received in 2015/16. Part of the unrestricted fund balance generated in 2015/16 has been used in 2016/17.

By actively seeking new sources of government funding and further developing existing relationships with government bodies we have been able to increase income from governments from 9% in 2015/16 to 15% in the year.

We have continued to increase the number of collaborative partnerships during the year in the field of business and human rights. 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.

Expenditure:

Our total expenditure increased by 32% in the year to £1,655,915. This expenditure was funded by income generated in the year and partly by funds brought forward for activities intended to be carried out during the year.

Expenditure on our charitable activities increased by 40% or £430,723 in the year to £1,483,813.

£1,483,813

**Empowering
Advocates
49%**

**Strengthening
Accountability
31%**

**Building
Transparency
20%**

As our project activities increased throughout the year we have increased staff members specifically for the Human Rights Defenders, KnowTheChain and Modern Slavery Act Registry projects.

During the year our London and New York offices relocated to new premises. Moving costs including legal costs for the London office move were covered by a moderate sum paid to us by our previous landlord in relation to compensation in accordance with the Landlord and Tenant Act 1954.

With the increase in projects we increased our Communications and Fundraising capacity. Recruitment of our first Communications Assistant enabled us to further strengthen our global media coverage and social media presence and will continue to do so as we advance our communications capabilities. We also recruited a Development Officer to provide support to our Senior Development Director and UK Development Director.

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. The tracker is also being developed further to improve our projects tracking system which once again will provide us with greater overall financial control and an enhanced project reporting tool.

Reserves:

The trustees view the holding of general 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. 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 general reserves level should be three months of core expenditure with optimal reserves being four months. Up to one fifth of existing reserves can be drawn down by the Executive Director after approval by the Finance and Administration Committee at scheduled or extraordinary meetings, and contingent on a credible plan for their replacement in the following 12 months. Use of reserves beyond this fraction requires approval by the majority of the Board.

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.

We generated general reserves of £85,000 for the year. With a brought forward general reserve of £90,005 in prior years, there is a cumulative general reserve of £175,005 as at the end of financial year 2016/17. This represents approximately two and half months of budgeted core expenditure for financial year 2017/18. Although this is below our target minimum level of reserves we are actively seeking to meet this target within the next 2 to 3 years.

Reconciliation of funds carries forward to reserves	2017	2016
Group (Global)	£	£
Funds carried forward (as per SoFa)	1,268,936	1,154,228
Less:		
Restricted funds	(615,709)	(243,591)
Designated funds	-	-
Unrestricted funds	653,227	910,637
Less:		
Unrealised FX gain	(129,786)	(27,629)
Unrestricted funds recognised in the year but for use in future years	(324,889)	(764,992)
Designated reserves *	(113,552)	(48,016)
Free reserves	85,000	70,000

* Designated reserves have been ear-marked for specific strategic purposes of the Resource Centre and includes expansion in Asia, an increase in fundraising capacity which is due to occur during FY 2017-18 and acting on new project and innovation opportunities as they arise.

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
Anonymous
Anonymous Donor
Ford Foundation
Freedom Fund
Humanity United
International Trade Union Confederation
National Endowment for Democracy
Oak Foundation
Open Society Foundations
Oxfam GB Regional Centre Bangkok
Ruth Turner Fund
Unicef
Wallace Global Fund

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.

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 26 October 2017 and signed on its behalf by:



Kathleen Parsons
Trustee/Treasurer

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

(REGISTERED COMPANY NO.04555494)

We have audited the financial statements of Business and Human Rights Resource Centre for the year ended 31 March 2017 which comprise the Group Statement of Financial Activities, the Group and Parent charitable company Balance Sheets, the Group Statement of Cash Flows 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's charitable 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' Annual 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 and the Parent charitable company's affairs as at 31 March 2017, 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.

Opinion 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' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Trustees' Annual 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Annual Report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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 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 and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



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: 27 November 2017

Financial Statements
Consolidated Financial Statement of Activities
Incorporating the income and expenditure account

For the year ended 31 March 2017

	Notes	Restricted £	Unrestricted £	2017 £	2016 £
Income from:					
Donations and legacies	2	372,964	-	372,964	1,309,726
Charitable activities	3	-	1,213,731	1,213,731	347,624
Investments	4	106	-	106	86
Total Income		373,070	1,213,731	1,586,801	1,657,436
Expenditure					
Cost of raising funds	5	172,102	-	172,102	201,711
Expenditure on charitable activities	5	642,200	841,613	1,483,813	1,053,090
Total resources expended		814,302	841,613	1,655,915	1,254,801
Net income/(expenditure) for the year		(441,232)	372,118	(69,114)	402,635
Other recognised gains and losses					
Unrealised Gain/(loss) on revaluation of foreign currency subsidiary		129,786	-	129,786	27,629
Net movement in funds		(311,446)	372,118	60,672	430,264
Fund balance brought forward		910,637	243,591	1,154,228	723,964
Fund balances carried forward		599,191	615,709	1,214,900	1,154,228

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

Company number: 04555494

As at 31 March 2017

	Notes	2017		2016	
		Group (Global) £	Charity (UK) £	Group (Global) £	Charity (UK) £
Fixed assets					
Tangible assets	9	41,410	40,613	44,175	42,483
		41,410	40,613	44,175	42,483
Current assets					
Debtors	10	448,944	144,907	719,289	141,177
Cash at bank and in hand		945,924	308,704	505,176	401,329
		1,394,868	453,611	1,224,465	542,506
Creditors: amounts falling due within one year	11	221,378	146,919	114,412	86,634
		1,173,490	306,692	1,110,053	455,872
Net current assets					
		1,173,490	306,692	1,110,053	455,872
Total assets less current liabilities					
		1,214,900	347,305	1,154,228	498,355
Represented by					
Unrestricted funds	12	599,191	237,305	910,637	397,719
Restricted funds	12	615,709	110,000	243,591	100,636
		1,214,900	347,305	1,154,228	498,355

The accompanying notes form an integral part of these financial statements. The financial statements were approved by the Trustees and authorised for issue on 26 October 2017 and signed on their behalf by



Kathleen Parsons
 Trustee/Treasurer

Financial Statements
Consolidated Statement of Cash Flows

For the year ended 31 March 2017

	Notes	2017 £	2016 £
Reconciliation of net income to net cash flow from operating activities		60,672	430,264
Net income for the reporting period (as per the statement of financial activities)			
Adjustment for:			
Add back depreciation charges	9	35,923	31,804
Decrease (increase) in debtors	10	270,345	(490,152)
Increase (decrease) in creditors	11	106,966	20,685
Net cash provided by / (used in) operating activities		473,906	(7,399)
Statement of cash flows			
Cash flows from operating activities:			
Net cash provided by / (used in) operating activities		473,906	(7399)
Cash flows from investing activities			
Purchase of tangible fixed assets	9	(33,158)	(12,680)
Net cash (used in) / provided by investing activities		(33,158)	(12,680)
Change in cash and cash equivalents in the reporting period		440,748	(20,079)
Cash and cash equivalents at the beginning of the reporting period		505,176	525,255
Cash and cash equivalents at the end of the reporting period		945,924	505,176

Notes to the accounts

For the year ended 31 March 2017

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 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 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 costing £5000 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) 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

	2017 £	2016 £
Group (Global)		
Grants from foundations and governments		
Anonymous	114,697	99,403
Ford Foundation	-	662,686
Adressium Foundation	59,828	19,383
Wallace Global Fund	34,409	19,881
Anonymous Donor	76,465	33,134
Open Society Foundations	-	404,239
The Ruth Turner Fund	19,116	16,567
Individual donations	68,449	54,433
	372,964	1,309,726

3 Income from charitable activities

	2017 £	2016 £
Group (Global)		
Building transparency	419,652	112,533
Strengthening accountability	346,957	112,533
Empowering advocates	447,122	122,558
	1,213,731	347,624
Grants which fund charitable activities:		
Oak Foundation	-	77,500
Oxfam GB Regional Centre Bangkok	66,983	-
Unicef	5,000	-
International Trade Union Confederation	9,928	-
Ford Foundation	152,929	-
Ministry of Foreign Affairs, Kingdom of the Netherlands*	105,349	-
Swiss Federal Department of Foreign Affairs*	38,150	32,705
Open Society Foundations	107,051	-
Open Society Foundations (CHRI partnership)	180,943	-
German Federal Ministry of Economic Cooperation and Development supported by GIZ*	22,565	52,920
Freedom Fund	125,000	-
Humanity United	327,574	125,354
National Endowment for Democracy	72,259	59,145
	1,213,731	347,624

* Grants received from local and international governments

4 Investment income

	2017 £	2016 £
Bank interest receivable	106	86
	106	86

5 Expenditure

	Direct costs £	Support costs £	Total 2017 £	Total 2016 £
Rising funds				
Fundraising	-	172,102	172,102	201,711
Sub-total	-	172,102	172,102	201,711
Charitable activities				
Building transparency	263,874	42,743	306,617	162,958
Strengthening accountability	356,367	96,756	453,123	317,199
Empowering advocates	561,835	162,238	724,073	572,933
Sub-total	1,182,076	301,737	1,483,813	1,053,090
Total	1,182,076	473,839	1,655,915	1,254,801

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

	Raising funds £	Building transparency £	Strengthening accountability £	Empowering advocates £	Total 2017 £	Total 2016 £
Central management	6886	5333	30,959	61,764	104,942	43,066
Central finance, administration and human resources	5756	28,759	33,947	39,545	108,007	94,630
Fundraising	153,436	-	-	-	153,436	159,740
Communication	-	1231	4444	8684	14,359	36,894
Central facilities	5274	6495	23,994	45,738	81,501	17,456
Governance	750	925	3412	6507	11,594	22,866
Total	172,102	42,743	96,756	162,238	473,839	374,652

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.

7 Global Team Costs

The average number of employees during the year was 15.8 (2015/16: 13.4).

The average number of part-time researchers working as consultants / independent contractors during the year was 13 (2015/16: 14)

	2017	2016
	£	£
Staff costs during the year amounted to:		
Wages and salaries	715,674	605,532
Social security costs	70,861	59,498
Employer's pension contributions	44,415	38,568
	<hr/>	<hr/>
	830,950	703,598
Other staff related costs (including travel)	133,371	51,575
Part-time senior & regional researchers; consultants*	470,334	333,037
	<hr/>	<hr/>
	1,434,655	1,088,210

*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.

	2017	2016
£60,000 to £70,000	1	-
£70,000 to £80,000	1	2
£90,000 to £100,000	2	-

Retirement benefits are paid under a defined contribution scheme. The total employer pension contributions paid were £23,620 for the year (2015/16: £24,296) with £20,795 (2015/16: £14,272) owing as at 31 March 2017. Employer pension contributions in respect of the higher paid staff were £7252 (2015/16: £17,190) with £13,462 (2015/16: £4212) owing at year end.

No trustee, nor any person connected with them, received any remuneration from the charity. One trustee was reimbursed expenses totalling £714 (2015/16: £2947 – four trustees) 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, UK Deputy Director, US Deputy Director, Research Director and Senior Development Director. The total employee benefits of the key management personnel were £395,723 (2015/16: £369,080). This includes gross pay, employers National Insurance and pensions.

8 Net (expenditure)/income for the year

This is stated after charging:

	2017 £	2016 £
Depreciation	35,923	31,804
Auditor's remuneration - cost of audit (inc VAT)	7300	6267

9 Tangible fixed assets – Group (Global)

	Website £	Computer equipment £	Total £
Costs			
1 April 2016	103,660	20,916	124,576
Additions	33,158	-	33,158
31 March 2017	136,818	20,916	157,734
Depreciation			
1 April 2016	59,485	20,916	80,401
Charge for the year	35,923	-	35,923
31 March 2017	95,408	20,916	116,324
Net book value			
31 March 2017	41,410	-	41,410
31 March 2016	44,175	-	44,175

Tangible fixed assets – Charity (UK)

	Website £	Computer equipment £	Total £
Costs			
1 April 2016	101,195	18,074	119,269
Additions	33,158	-	33,158
31 March 2017	134,353	18,074	152,427
Depreciation			
1 April 2016	58,712	18,074	76,786
Charge for the year	35,028	-	35,028
31 March 2017	93,740	18,074	111,814
Net book value			
31 March 2017	40,613	-	40,613
31 March 2016	42,483	-	42,483

10 Debtors

	2017		2016	
	Group (Global) £	Charity (UK) £	Group (Global) £	Charity (UK) £
Due within one year				
Other Debtors / Prepayments	30,748	21,696	25,736	20,949
Grant debtor	418,196	114,001	693,553	112,128
Loan to subsidiary undertaking	-	9210	-	8100
	448,944	144,907	719,289	141,177

11 Creditors: amounts falling due within one year

	2017		2016	
	Group (Global)	Charity (UK)	Group (Global)	Charity (UK)
	£	£	£	£
Trade creditors	68,613	36,165	5,244	5,244
Tax and social security creditors	14,887	14,887	14,746	14,746
Accruals	80,253	38,242	90,781	63,003
Other creditors	9,643	9,643	3,641	3,641
Deferred income	47,982	47,982	-	-
	221,378	146,919	114,412	86,634

	2017	2016
	£	£
Deferred income:		
Deferred income brought forward	-	19,383
Amounts released	47,982	(19,383)
Income deferred in the year	-	-
	47,982	-

The deferred income relates to a grant from the Swiss Federal Department of Foreign Affairs for £59,993 in total. £47,982 of this grant was received in advance for the financial year 2017-18.

12 Funds – Group (Global)

	Balance at 1/4/16 £	Income £	Expenditure £	Transfers £	Unrealised Currency gain/(loss) £	Balance at 31/3/17 £
Restricted funds						
Oak Foundation	77,500	-	(77,500)	-	-	-
Ministry of Foreign Affairs, Kingdom of the Netherlands	-	105,349	(105,349)	-	-	-
Chris Avery Legacy Fund	38,447	-	(6328)	-	-	32,119
Swiss Federal Department of Foreign Affairs	-	38,150	(38,150)	-	-	-
German Federal Ministry of Economic Cooperation and Development, supported by GIZ	23,136	22,565	(45,701)	-	-	-
Humanity United	67,675	327,574	(263,680)	-	-	131,569
Ford Foundation	18,461	152,929	(33,954)	-	-	137,436
Open Society Foundations	9457	107,051	(101,215)	-	-	15,293
Open Society Foundations (CHRI partnership)	-	180,943	(65,267)	-	-	115,676
National Endowment for Democracy	8915	72,259	(71,430)	-	-	9744
ITUC	-	9928	(4928)	-	-	5000
Unicef	-	5000	-	-	-	5000
Oxfam GB Regional Centre Bangkok	-	66,983	(3111)	-	-	63,872
Freedom Fund	-	125,000	(25,000)	-	-	100,000
Restricted funds	243,591	1,213,731	(841,613)	-	-	615,709
Unrestricted funds						
General funds	772,616	288,070	(814,302)	(65,536)	129,786	310,634
General reserve	90,005	85,000	-	-	-	175,005
Designated reserve	48,016	-	-	65,536	-	113,552
Total unrestricted funds	910,637	373,070	(814,302)	-	129,786	599,191
Total funds	1,154,228	1,586,801	(1,655,915)	-	129,786	1,214,900

Charity (UK)

	Balance at 1/4/16 £	Income £	Expenditure £	Unrealised Currency gain/ (loss) £	Balance at 31/3/17 £
Restricted funds					
Oak Foundation	77,500	-	(77,500)	-	-
Ministry of Foreign Affairs, Kingdom of the Netherlands	-	105,349	(105,349)	-	-
Swiss Federal Department of Foreign Affairs	-	38,150	(38,150)	-	-
German Federal Ministry of Economic Cooperation and Development, supported by GIZ	23,136	22,565	(45,701)	-	-
International Trade Union Confederation	-	9928	(4,928)	-	5000
Unicef	-	5000	-	-	5000
Freedom Fund	-	125,000	(25,000)	-	100,000
Restricted funds	100,636	305,992	(296,628)	-	110,000
Unrestricted funds: General fund	397,719	499,566	(674,140)	14,160	237,305
Total funds	498,355	805,558	(970,768)	14,160	347,305

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

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Tangible assets	41,410	-	41,410	44,175
Net current assets	557,781	615,709	1,173,490	1,110,053
Net assets	599,191	615,709	1,214,900	1,154,228

Analysis of net assets between funds – Charity (UK)

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Tangible assets	40,613	-	40,613	42,483
Net current assets	196,692	110,000	306,692	455,872
Net assets	237,305	110,000	347,305	489,355

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:

	2017 £	2016 £
Amounts payable:		
Within 1 year	60,941	44,724
Between 1 and 5 years	151,473	178,896
Total	212,414	223,620

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	31,750	25,200
Between 1 and 5 years	103,565	100,800
Total	135,315	126,000

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 BHRRC 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, Edward McKinley (until October 2016), Tanya Peterson, Ashwini Sukthankar, Anne Travers and Komala Ramachandra.

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

	2017 £	2016 £
Incoming resources	781,243	1,467,897
Resources expended	(685,147)	(1,129,429)
Net (expenditure)/income for the year	96,096	338,468

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Net assets	361,886	505,709	867,595	655,873

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:

	2017 £	2016 £
Incoming resources	805,558	1,006,502
Resources expended	(970,768)	(942,335)
Net (expenditure)/income for the year	(165,210)	64,167

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