



# Business & Human Rights Resource Centre



**ANNUAL REPORT  
& ACCOUNTS**  
2017/18

**“Through our partnership, we as a community based organization have been capacitated to document company related rights abuses and our issues are now known the world over.”**

Malvern Mudiwa, Marange Development Trust, Zimbabwe

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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 2018.



## Foreword

By Chris and Phil

In March 2018, factory workers in Honduras, one of the most violent countries in the world, told us our intervention with their employer had stopped the intimidation and threats to their union leaders as they tried to negotiate a collective agreement. In November 2017, our third survey of European apparel brands sourcing from Turkey, where Syrian refugees routinely receive half the minimum wage, highlighted that the number of companies taking serious action to eliminate abuse had more than doubled. And in August 2017, we gained the support of major investors who dropped investment plans over misuse of surveillance software to spy on journalists and lawyers in Mexico. These are just three examples of the Resource Centre's impactful support to vulnerable people in the last year.

2017/18 has seen sustained growth and development in the impact of the Resource Centre. With generous and expanded funding

from our donors and partners, we have been able to advance our strategies to put human rights at the heart of business. We are now more than double in size compared to five years ago. This report highlights the work of our global team to support people and organisations facing abuse from business, to press business to prevent abuse through human rights due diligence, and to remedy for harm and abuse when it occurs.

Alongside our broad support for the business and human rights movement, our three priority areas have grown in both relevance and impact:

### Labour Rights

Mass migration and refugee flows in the last decade have left large numbers of vulnerable people open to the egregious exploitation of trafficking and modern slavery. We have worked with partners around the world to expose this abuse, and to benchmark companies in high-risk sectors on their efforts to eliminate this scourge

of global markets. From Syrian refugees sewing clothes for the high streets of London, Paris and Berlin, to South Asian migrants building the stadiums in Qatar for the 2022 World Cup, to our global Registry for corporate compliance statements for modern slavery legislation, we seek to expose laggard companies, reward leading enterprises, and provide empowering information for investors as well as advocates that seek an end to this denial of people's essential freedoms and dignities.

Together with our modern slavery work, we have sustained a focus on decent work and living wages, supporting this demand from workers' organisations in poverty-wage supply chains in apparel and electronics in South East and South Asia, for instance. This effort has also helped provoke greater focus on a feminist analysis of business and human rights in our strategies, and a new focus on the impact of Artificial Intelligence, automation, and the gig economy on the future of work.

### Responsible Resource Use

The extractive industries continue to generate the largest number of allegations of abuse that we track. This year we expanded our engagement with communities impacted especially by mining operations in order to help remedy the power and information imbalance that prevents many from being adequately consulted before their lives and livelihoods are upended. The ecological crisis also creates new challenges for human rights in business. We work on many aspects of natural resources, but a key focus is the promotion of a just transition to zero carbon economies. The rapid expansion of allegations of abuse by renewable energy companies has continued around land and labour issues. This year, we worked with investors and companies to encourage due diligence in their investments and avoid social conflict with indigenous and community groups that leads to harm to vulnerable communities, suspension of operations, and commercial viability.

### Civic Freedoms and Human Rights Defenders

The rise of chauvinist nationalisms and authoritarian politics has cast a dark cloud over advances in democracy and human rights. It is a dangerous period to be a human rights defender exposing reckless or irresponsible investments and mistreatment of workers. This year alone, our database registered over 1000 cases of individuals facing intimidation, harm, or death for their efforts to uphold human decency and

the rights of communities and workers. We have worked with partners to seek to protect these brave people across all regions.

Irresponsible companies feel such impunity they use the law against victims of abuse who complain. In Thailand, survivors of modern slavery are facing multiple lawsuits from the poultry farms from which they escaped. In contrast, we nurture a Business Network of 24

**“2017/18 has seen sustained growth and development in the impact of the Resource Centre ... we have been able to advance our strategies to put human rights at the heart of business.”**

of the largest companies around the world that know that they thrive in free, and open societies, and see human rights defenders as their ‘ears and eyes’ for abuse in their supply chains. This group responded rapidly to the Rohingya exodus from Myanmar bringing voices together from apparel, and jewellery companies to press the Myanmar Government to end the attacks.

So, 2017/18 has been a year of immense challenge and opportunity for the business and human rights movement, as well as for the Resource Centre. Our programmes are focused on support to some of the most vulnerable victims of abuse and are also geo-politically relevant. Our efforts to empower advocates is nurturing our collaborative movement. And our growth is matched by our investment in organisational development to sustain our high-performing global team, strong financial control, and powerful global network of key actors in our movement.



**Chris Jochnick**  
Chair



**Phil Bloomer**  
Executive Director

## Who We Are and What We Do

We are an international non-profit organization dedicated to advancing human rights in business and eradicating abuse in the private sector.

### Our vision

A world in which companies respect and advance human rights, and individuals, communities and workers are empowered to secure their rights and gain accountability for abuse.

### How we work

We focus on three strategic priorities to deliver this vision:

- **Empowering human rights advocates** in civil society, business, and governments to act to prevent and remedy human rights abuse by companies, and promoting bold leadership for human rights in business.
- **Building corporate accountability** to support communities and civil society to gain effective remedy when abuse occurs, and providing companies with an opportunity to respond.
- **Increasing transparency** of business impacts on human rights to help victims and civil society get their concerns heard.

### Our global reach

We maintain expert knowledge of local contexts through our team of researchers and consultants based all over the world. They are supported by our offices in London, New York and Washington DC, and our Board of Trustees, made up of human rights, development and environmental advocates, academics, and former business people.



# Annual Report 2017/18



## Overview of Activities

In 2017/18 Business and Human Rights Resource Centre worked with a global network of advocates in civil society, business, government, and the media to advance human rights in business and eradicate abuse. Our activities focused around our three thematic priorities: defending labour rights; promoting responsible use of natural resources; and protecting civic freedoms and human rights defenders (HRDs).

Our work to defend **labour rights** focused on two clusters: tackling the most egregious forms of abuse in trafficking, forced labour, modern slavery, especially against refugee and migrant workers; and promoting decent work, a living wage, freedom of association, and the right to collective bargaining. We enhanced our methodology to benchmark brands on their efforts to address forced labour risks in their supply chains through **KnowTheChain**, established a new **Modern Slavery Registry** website to track company compliance with the UK Modern Slavery Act, and reached out to European and American garment brands regarding **labour protections for Syrian refugees** in their Turkish supply chains. We co-organized roundtables for civil society and business on decent work for migrants and refugees in Jordan and Lebanon.

Our efforts to promote the **responsible use of natural resources** focused on human rights impacts in three key sub-sectors: extractive industries (oil, gas, mining), the renewables industry (wind, solar, hydro, geothermal, biofuels), and large-scale agriculture and infrastructure. We co-hosted **workshops for communities** in Malawi and Zimbabwe impacted by mining developments and unable to protect their rights. We released a **briefing** setting out how investors can manage human rights risks in their investments in renewable energy. And we supported NGOs in Thailand and Mexico to

**document cases** of abuse by extractives and other mega-projects.

To help protect **civic freedoms and HRDs**, we grew our innovative **Business Network** of 24 leading companies, guiding them to act as a focal point for private sector dialogue and action on civic freedoms, and supporting public statements and corporate advocacy against government restrictions on civil society. We convened **meetings and roundtables** to facilitate dialogue between HRDs and business. And we developed our online platforms, tools and resources for advocates of human rights worldwide, including our **database of attacks** against HRDs working on corporate accountability.

Our website, available in eight languages, continued to track the human rights impacts of nearly 8000 companies worldwide. We made 433 approaches to companies regarding allegations of human rights abuse and provided them with the opportunity to respond. Our overall global response rate is 73%. We delivered our free e-newsletters, highlighting top stories and breaking news in business and human rights, to over 27,000 subscribers globally. We conducted 14 country missions, including to Bangladesh, Mozambique, and Uruguay, to meet communities, local organizations, companies, and other stakeholders, and better understand local concerns. We co-hosted 14 trainings, workshops and roundtables to support local communities and human rights advocates in their negotiations with companies and grow our network of local partners.

This year we completed our global reach by establishing a Regional Researcher and programme in the Australia, New Zealand and Pacific region. This has allowed us to respond to the scale of opportunity and challenge in the region for enhancing respect for human rights in business by Australian, New Zealand, and Chinese firms, and support the Australian Government's action on modern slavery, alongside the Bali Process and its emergent Business Forum. We also initiated the process to establish an Australian subsidiary, to formalise our activities in the region and maximise our ability to seek funding from foundations, foreign ministries, governments and private individuals based there.



Workshop for female factory workers in Myanmar



## Our Year in Numbers

# 2.2M Visitors

Visits to our website, available in Arabic, Chinese, English, French, German, Portuguese, Russian and Spanish.



# 27,096 Readers

Combined readership of our newsletters, including in Chinese, English, French, German and Spanish.

# 7904 Companies

Companies on our website, which we track fairly and objectively for positive and negative human rights impacts.



# 5700 Statements

Company statements tracked in our new Registry website to monitor compliance with the UK Modern Slavery Act.

# 1048 Cases

Documented cases of attacks against human rights defenders working on corporate accountability issues.



## Defending Labour Rights

This year we saw significant and increasing momentum worldwide towards addressing forced labour and modern slavery. These issues remain a priority for many governments; and business action, whilst widely inadequate, has seen some improvements due to sustained and increasing pressure from civil society and governments. Our role is to provide the resources and incentives to ensure this momentum translates to positive, lasting changes for workers and communities. Three highlights:

### Protecting Syrian refugees against exploitation in Turkey's garment sector

Our report, "What's changed for Syrian refugees in Turkish garment supply chains?" presents the third in our series of research and outreach to European fashion brands, to track their progress in tackling risks of labour exploitation and discrimination in their supply chains. We were pleased to find a significantly larger number of brands adopting policies designed to protect refugee workers from abuse, including the introduction of unannounced audits and protection plans to find undocumented Syrian refugees in their supply chains. Since our first survey in 2015, almost twice as many brands can point to a specific policy they adopted to guide suppliers on employment of Syrian refugees and prohibit discrimination and exploitation.

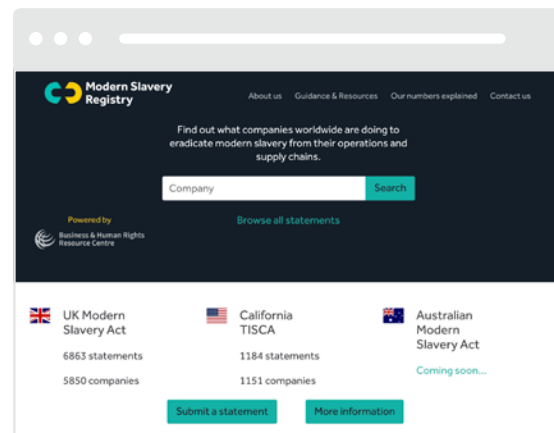
Our experience in Turkey will help inform other contexts with large flows of vulnerable migrant or refugee populations, including in host countries such as Jordan and Lebanon, where businesses are increasingly called upon to employ refugees as conflict in Syria persists.

### Monitoring implementation of the UK Modern Slavery Act

We accelerated efforts to hold companies accountable under the UK Modern Slavery Act, by tracking more company statements through our new Modern Slavery Registry website. Our report, "First Year of FTSE 100 Reports under the UK Modern Slavery Act: Towards Elimination?" assessed, scored, and tiered the statements of the FTSE 100 companies. As some of the largest companies in the world, the FTSE 100 are likely to cause or contribute to modern slavery and have the resources and capacity to make a significant impact and improve lives.

Our analysis found that whilst there is a cluster of leading companies taking robust action to tackle modern slavery risks, most reporting under the Act is very weak.

Our data and analysis are being used by companies to influence their policies and practices, as well as by UK Government (including the Independent Anti-Slavery Commission) and investors to inform their engagement and outreach with companies. We are using this experience to help shape future modern slavery legislation, including in Australia, Canada and Hong Kong.



Our new website tracks company compliance with the UK Modern Slavery Act

### Proposing a path towards harmonised legislations on modern slavery

In collaboration with the International Trade Union Confederation (ITUC), we published a joint report calling on governments to harmonise legislation to ensure mandatory due diligence, transparency, and public procurement with regard to modern slavery. Taking into account all current legislation on modern slavery in corporate supply chains, the report explains how uncoordinated actions could be transformed, and sets out a clear pathway for governments to deliver a robust, and harmonised international standard for national legislations, regulation and corporate incentives.

The purpose of this report is to demonstrate how governments could have greater impact on modern slavery and workers' rights, raise the floor of minimum corporate behaviour, and create international predictability by acting together.

## Promoting Responsible Resource Use

Around the world, we see hundreds of cases where individuals and communities harmed by natural resource development are unable to protect their rights or shape investments that too often result in expropriation of land, interference in livelihoods, health and safety risks to workers, and attacks on human rights defenders. These abuses go mostly undocumented, and individuals and communities often have no place at the decision-making table and no mechanism to demand remedy. Some examples of how we have tried to rectify this power imbalance:

### Facilitating peer learning among advocates for mining communities in the global South

We organized civil society workshops with local partners, designed to stimulate learning between human rights advocates on the impacts of extractive companies, and identify areas for intervention.

- In Malawi, we co-hosted a workshop with the Church and Society Program to support the Kanyika community impacted by the operations of mining companies, including forced displacement from their homes, environmental degradation of their land, poverty, and loss of livelihoods. We provided participants with our checklist tool to help them document these impacts, and our company response mechanism to hold companies accountable.
- In Zimbabwe, we co-organized with the Zimbabwe Environmental Law Association a workshop for community representatives from Manicaland Province (covering the Marange/Chiadzwa diamond mining fields), where community concerns ranged from forced displacement and destruction of property without compensation to environmental pollution and disruption of access to clean water. We reviewed the actions taken by companies since a previous visit and identified areas where we could add further value and assist.

### Encouraging human rights due diligence in renewable energy

The Resource Centre continued our efforts to raise awareness about the importance of a fast and fair transition to a low-carbon economy,

which puts human rights at the centre of a rapidly-growing industry. This year we built upon our initial ground-breaking work on the hydropower and wind sectors to develop an investor briefing with Sonen Capital and Transform Finance that sets out concrete risks for investors, offers case studies of human rights abuses linked to renewables projects; describes international responsibilities of investors; and outlines steps investors should take to manage risks prior to and during investment.

**“Investors have a critical role to play in ensuring that renewable energy projects aiming to tackle climate change respect human rights. This briefing presents a clear argument that this is not only good for investors but also benefits and protects Indigenous Peoples.”**

Representative from Boston Common Asset Management

We also convened a roundtable on responsible renewable energy, bringing together participants from both human rights and environmental organisations. Participants mapped the human rights challenges associated with the sector, including impacts on land, water, and livelihoods, and attacks on human rights defenders (HRDs), but also highlighted the opportunities presented by this sector to empower communities to gain rights not previously recognized via new models of ownership and engagement. The workshop provided a roadmap for our ongoing engagement on this issue.

## Protecting Civic Freedoms and Human Rights Defenders

As ever-rising populism continues to stir xenophobia, the world has seen a continued increase in restrictions and attacks on civil society, civic freedoms and on human rights defenders (HRDs). Companies play an increasingly important role, both positively and negatively. Our work seeks to both harness companies' positive influence and hold firms accountable for abuse:

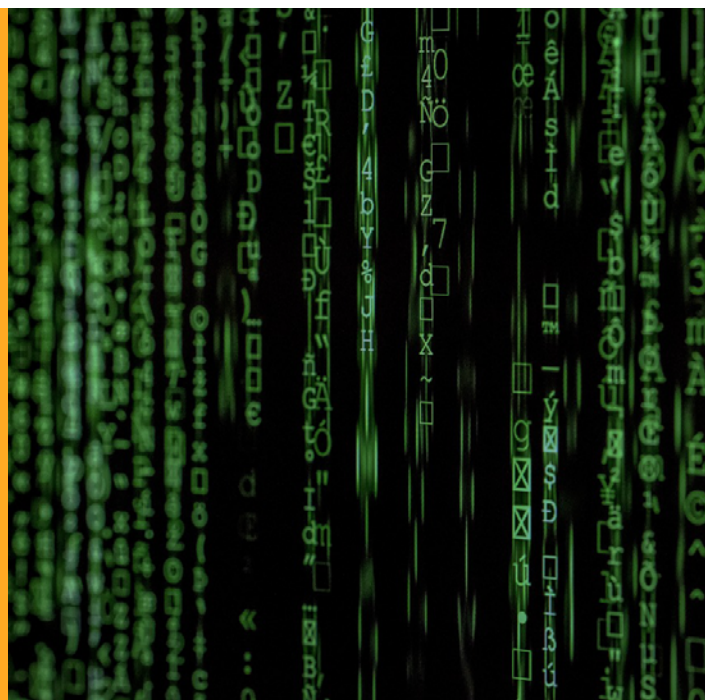
- Strengthening the Business Network on Civic Freedoms and HRDs:** We expanded the Network of progressive companies to lead the way for the protection of civic freedoms, to 24 members and several other “observer” companies and business associations. The Network has met several times and members have drafted a statement of principles in support of civic freedoms and HRDs.
- Supporting actions by Business Network members in support of HRDs:** Including impressive coordinated action on the Rohingya crisis in Myanmar. We collaborated with the B Team, Unilever, adidas, Leber Jeweller, and the Myanmar Centre for Responsible Business, to submit a private letter and set of business commitments to Aung San Suu Kyi, current State Counsellor of Myanmar.
- Growing the world's leading knowledge hub on business, civic freedoms and HRDs:** We significantly expanded our online database of attacks against HRDs working on corporate accountability issues worldwide to 1048, from 400 in February 2017.
- Developing research and raising awareness of the role of business in this field:** In partnership with others, we worked on creating original research on the moral, normative and business cases for action in this field. We spoke at various conferences and events sharing our experiences and knowledge on this topic, spurring interest and action by others.

Having completed important groundwork with companies in the Business Network and other companies and investors, to create shared awareness of business-related threats to civic freedoms and HRDs, and potential strategies to reduce risks and restrictions, we will continue more in-depth engagement to encourage actors to be more active and outspoken.

### CASE STUDY

## NSO Group and privacy rights in Mexico

Reports uncovered that NSO Group's spyware was being sold to the Mexican Government, who used that technology to surveil and harass lawyers, journalists and HRDs. Working with Access Now, Citizen Lab, and other Mexican allies, we took up the case with NSO Group, and with major prospective investors, including ClearSky and Blackstone Group. We initially received no response from them. We then went to 9 pension funds invested in Blackstone. Two funds, CalPERS and Azasrs, reported they had raised the issue with Blackstone. NSO Group and Blackstone responded to us, and a few weeks later Blackstone was reported to have withdrawn from discussions on buying a stake in NSO Group.



## Emerging Issues and New Initiatives

As the business and human rights field grows, many have come to rely on the Resource Centre as an anchor and part of the core infrastructure of the movement. Increasingly, we help set the agenda for the field, pioneering new themes and topics to research, analyse and endorse. In collaboration with our partners, some emerging issues and new initiatives we will focus on next year include:

### Technology and Human Rights

Technology can be a powerful tool for human rights. Newer technologies such as Artificial Intelligence (AI) and blockchain have the potential to make significant positive contributions to the promotion and protection of human rights. But rapid developments in automation, AI, and the gig economy raise questions about potential impacts on human rights (freedom of expression, privacy) and the future of work (job loss, income inequality, precarious working conditions). Our new online portal will serve as a hub for the business and human rights movement on this issue, and our blog series with OpenGlobalRights and University of Washington School of Law will feature diverse perspectives about the potential and actual human rights risks posed by new and emerging technologies and how the human rights field can respond. We will promote thought leadership in our movement by supporting better networking on these issues and promoting relevant events.

### Gender Justice

From our inception we have highlighted the gender dimensions of business' human rights impacts and provided reputation reward for companies taking a sensitive approach to gender. Next year we will start to develop a gender justice strategy, using internal expertise and the guidance of experts and feminist partners. The strategy will ensure that gender justice principles are mainstreamed throughout our work, that we apply gender analysis to the issues we cover, and that we develop new opportunities to promote equal rights between women and men. We will engage women's initiatives to map women workers' realities, analysis of root causes of vulnerabilities, and practical plans to address these issues. We will seek to advance gender justice by encouraging business to promote gender equality and advocate for women-responsive laws and policies. We will also

support women leaders in the labour and human rights movement by partnering with women-led initiatives and promoting their work widely.

### Renewable Energy Sector and Climate Justice

We will build on our work to support a fast and fair transition to renewable energy by launching additional outreach and analysis of renewable energy companies' approaches to human rights, focused on solar, geothermal, and bioenergy projects. This will create a more comprehensive



picture of the renewable energy sector. We will begin a three-year project to strengthen Mayan communities' informed participation on wind and solar projects in the Yucatan Peninsula in Mexico, with an aim to promote human rights and shared benefits. With partners, we will map the intersections between the renewable energy industry and the 17 United Nations Sustainable Development Goals (SDGs), to draw attention to the interconnections between human rights and the SDGs. And we will maintain a focus on climate justice as a human rights issue; next year's Corporate Legal Accountability Annual Briefing will examine the opportunities and challenges for bringing climate change litigation and provide in-depth analysis of climate lawsuits against fossil fuel companies.

**“Your work plays such a crucial role and is so important to our own; the responses you obtain from companies are vital for our advocacy.”**

Representative from Advocates for Public Interest Law, South Korea

# Financial Report

## 2017/18



## Board and Global Team

### Board

**Shawna Bader-Blau** (Oct 2017–), **Sumi Dhanarajan**, **Peter Frankental** (–Jun 2017), **Heather Grady**, **Michael Hirschhorn**, **Kirsty Jenkinson**, **Chris Jochnick** (Chair), **Seema Joshi** (Jun 2017–), **Kathleen Parsons** (Treasurer), **Tanya Peterson** (–May 2018), **Komala Ramachandra** (Jun 2017–), **Hanna Roberts** (–Jun 2017), **César Rodríguez-Garavito**, **Dr Mila Rosenthal**, **Ashwini Sukthankar** (–Oct 2017), **Anne Travers**

### Global Team

**Elodie Aba**, Senior Corporate Legal Accountability Researcher (maternity leave Oct 2017–Sep 2018)

**Joseph Bardwell**, Senior Officer - Corporate Accountability & Communications

**Philip Bloomer**, Executive Director

**Nora Böggemann**, KnowTheChain Researcher (Oct 2017–)

**Nicole Brewer**, Administrative & Programme Support Officer (Apr 2018–)

**Marion Cadier**, Corporate Legal Accountability Researcher (maternity cover Oct 2017–Aug 2018)

**Patricia Carrier**, UK Modern Slavery Act Registry Project Manager

**Cara Casey-Boyce**, Communications Assistant (–Jul 2017)

**Katarzyna Cisicka**, Temporary Finance Assistant (Jul 2017–)

**Christen Dobson**, Senior Project Lead & Researcher (maternity cover May 2017–)

**Ciara Dowd**, Legal Researcher (Apr 2017–)

**Marti Flacks**, Deputy Director & Head of North America Office (May 2017–)

**Samantha Goethals**, Senior Researcher on Labour Rights (maternity cover –Oct 2017)

**Alexander Guy**, Digital Officer (Oct 2017–)

**Alexandra Janczenia**, Development Officer

**Maja Janjic**, Office Coordinator & Assistant to Executive Director (Apr 2018–)

**Anastasiya Koroleva**, Corporate Legal Accountability Research Assistant (Mar 2018–)

**Mauricio Lazala**, Deputy Director & Head of Europe Office

**Anna Liberadzki**, Administration & Programme Support Officer (–Apr 2018)

**Danielle McMullan**, Senior Researcher on Labour Rights (maternity leave –Jan 2018)

**Rosie Monaghan**, KnowTheChain Research Assistant (Jun 2017–)

**Lakshmi Samarakoon**, Finance Officer

**Bobbie Sta. Maria**, Programme Manager, Asia (–Aug 2017); Director for Labour Rights & Asia (Aug 2017–)

**Patricia Surak**, Senior Development Director

**Gregory Tzeuschler Regaignon**, Research Director (–Aug 2017)

**Laura Waldman**, Research Assistant (Mar 2018–)

**Felicitas Weber**, KnowTheChain Project Lead

**Tanika West**, Development Manager for Europe

**Ana Zbona**, Civic Freedoms & Human Rights Defenders Project Manager

**Maysa Zorob**, Corporate Legal Accountability Programme Manager (Jan 2018–)

### Africa

**Aliou Diouf**, Francophone Africa Researcher & Representative

**Joseph Kibugu**, Senior Eastern Africa Researcher & Representative

**Joy Mabenge**, Anglophone Southern & Western Africa Researcher & Representative (–Apr 2018)

**Manson Gwanyanya**, Anglophone Southern & Western Africa Researcher & Representative (Sep 2018–)

### Asia & Pacific

**Golda Benjamin**, Southeast Asia Researcher & Representative

**Lowell Chow**, Senior Researcher & Representative for East Asia

**Jose Jello Cubelo**, Southeast Asia Research Assistant (Jul 2017–)

**Priti Darooka**, South Asia Researcher & Representative (Sep 2017–)

**Piseth Duch**, Cambodia Researcher (Aug 2017–)

**Harpreet Kaur**, Senior South Asia Researcher & Representative (–Jul 2017)

**Wai Wai Lwin**, Myanmar Foreign Investment Tracking Project Manager (–Dec 2017)



**Amy Sinclair**, Regional Consultant for Australia (–Jul 2017); Australia, New Zealand, and the Pacific Researcher & Representative (Jul 2017–)

**Saul Takahashi**, Japan Researcher & Representative

**Huang Zhong**, Greater China Researcher & Representative

#### Europe & Central Asia

**Johannes Blankenbach**, EU Researcher & Representative (May 2018–)

**Isabel Ebert**, Western Europe Researcher & Representative (–Apr 2018)

**Eniko Horvath**, Senior Researcher (maternity leave May 2017–Jun 2018)

**Ella Skybenko**, Eastern Europe & Central Asia Researcher & Representative

**Jennifer Teufel**, EU Project Assistant (Feb 2018–)

**Saskia Wilks**, Research Assistant on Labour Rights & Western Europe (Nov 2017–)

#### Latin America

**Karen Hudlet**, Mexico, Central America & the Caribbean Researcher & Representative (–Sep 2017); Consultant (May 2018–)

**Julia Mello Neiva**, Senior Brazil, Portugal & Portuguese-speaking Africa Researcher & Representative

**Melissa Ortiz Massó**, Mexico, Central America & the Caribbean Researcher & Representative (Oct 2017–)

**Amanda Romero Medina**, Senior Researcher & Representative for South America

#### Middle East

**Mariam Bhacker**, Senior Project Manager, Migrant Workers & Gulf Construction

**Bahaa Ezzelarab**, Middle East & North Africa Researcher & Representative (–Apr 2018)

**Malik Habayeb**, Middle East Research & Outreach Assistant (–May 2018); Acting Middle East & North Africa Researcher & Representative (May 2018–)

**Alia Hindawi**, Lebanon & Jordan Programme Manager (Apr 2018–)

**Ezzeldeen Al Natour**, Jordan & Lebanon Researcher & Representative (Apr 2017–Feb 2018)

#### Interns

Meritxell Abellán, Andrew Alford, Tahreem Ali, Isobel Archer, Ghaida Bajbaa, Georgia Burke, Eduardo Castillo, Amit Dogra, Noémie Ducret, Anja Gauger, Leonor Gomes, Veronica Gonzalez, Alejandro Guzman, Simon Hagenah, Mohamad Omar Hallab, Catherine Harris, Megan Head, Lisanne Joisten, Louise Lap, Jillianne Lyon, Emily McDuff, Angela Patiño, Loan Pham, Vitória Rocha, Chisato Sakamoto, Robert Sikorski, Amy Simon, Gheeeun Song, Alejandra Sosa Romero, Sietske van Hees, Julia Velho, Saskia Wilks.

The Resource Centre's work benefits hugely from its dedicated interns. This year the Resource Centre was assisted by 32 interns, nationals of Australia, Brazil, Chile, Colombia, France, Germany, Japan, Mexico, Portugal, Netherlands, Spain, Saudi Arabia, South Korea, UK and USA, Venezuela, Vietnam. Each worked for a 3-6 month period, assisting with the Centre's global research and outreach. They receive an induction and training programme to enable them to carry out their work, are supervised and supported by our staff throughout their internship, and participate in the organization's global team meetings.

#### Diversity

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 47 people) include nationals of 27 countries: Australia, Brazil, Cambodia, Canada, China, Colombia, France, Germany, Hungary, India, Japan, Jordan, Kenya, Lebanon, Malaysia, Mexico, Oman, Palestine, Philippines, Poland, Russia, Senegal, Slovenia, UK, Ukraine, USA and Zimbabwe. Our Leadership Team is 60% female.

## Structure and Governance

### Governing document and how the charity is constituted

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

The charity has a US subsidiary, Business and Human Rights Resource Centre (US) Ltd, which is a tax-exempt non-profit organization under section 501(c)(3) of the US Internal Revenue Code. This entity is treated as a subsidiary for the purpose of producing group accounts.

During the year the charity initiated the process to establish an Australian subsidiary, Business and Human Rights Resource Centre (Australia New Zealand and Pacific) Limited. The entity was successfully registered on 6 July 2018 as a company limited by guarantee with the Resource Centre as its sole member. The entity will be treated as a subsidiary for the purposes of producing group accounts from financial year ended 31 March 2019 onwards.

### Organizational structure of the charity

The Trustees are responsible for the governance of Business and Human Rights Resource Centre and ensure that it pursues the objects for which it was founded. The Executive Director reports to the Board of Trustees. Decisions related to the day-to-day activities of the Resource Centre are taken by staff members, managed by the Executive Director. Trustees' approval is required for key strategic decisions. The Trustees meet twice a year (this year on 8 June 2017 and 26 October 2017) and sub-committees covering development, Board membership (nominations), and finance and administration meet three times per year.

The Trustees, Executive Director and staff have available to them the support of the Resource Centre's respected International Advisory Network, chaired by Mary Robinson, former UN High Commissioner for Human Rights and 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 Nominations Committee is a sub-committee of the Board and is responsible for guiding and advising the Board on matters relating to the composition, structure and operation of the Board. The prime responsibility of the committee is succession planning to ensure that the Resource Centre has a well-managed succession of highly competent Directors to serve on its Board. The Directors are also charity Trustees for the purposes of charity law. The recruitment process for replacement Trustees is conducted with a view to maintaining the diversity of the Board, in terms of geographical representation, gender, areas of expertise, etc. The Board seeks a wide range of suggestions of potential Trustees, with a shortlist presented for discussion and decision at the bi-annual Board of Trustees meeting.

### Policies and procedures for the induction 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 Board's Chair. They are provided with a board induction pack with information about the Resource Centre's work, policies, procedures, audited accounts and Memorandum and Articles of Association. Prior to each bi-annual Board of Trustees meeting, Trustees are sent a detailed staff report describing achievements and challenges over the past six months, 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 and Activities for Public Benefit

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

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

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

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

# Trustees' Responsibilities in relation to the Financial Statements

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

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities' Statement of Recommended Practice (SORP);
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the 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 to:

- 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
<b>Financial sustainability</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Plan strategically and regularly review our plans in a clear, transparent and inclusive process whilst ensuring flexibility.</li> <li>• The Development Committee, a sub-committee of the Board, meets three times per year to assist the Board and staff in the planning and implementation of fundraising activities in support of the programmes, projects and activities of the organization, and participates in the execution of the agreed strategy.</li> <li>• 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.</li> <li>• 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.</li> </ul>
<b>Financial Management and Control</b>	<ul style="list-style-type: none"> <li>• Rigorous annual budgeting and ongoing management reporting and monitoring of financial performance through tools developed in-house such as the fund tracker.</li> <li>• Prepare 3-year financial forecasts aligned to the Resource Centre's strategy.</li> <li>• 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.</li> <li>• The Finance and Administration Committee, a sub-committee of the Board, meets three times a year to review and assess the financial status, management, and control of the Resource Centre.</li> </ul>

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**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.

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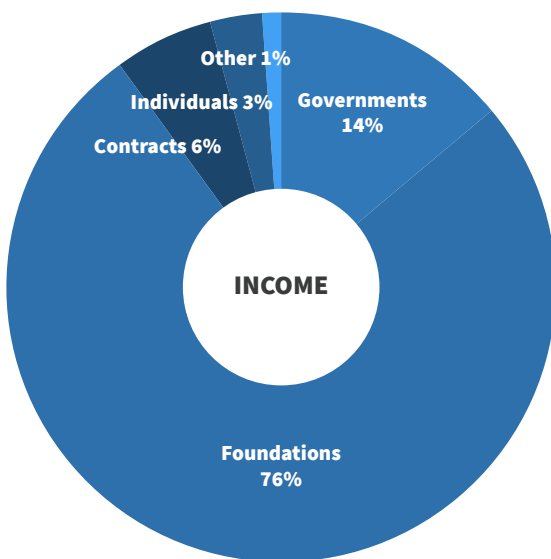
**Incidents that damage reputation and / or negatively impact operations (including cyber security and cyber liability)**

- 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 avoids any conflict of interest or reputation risk by not accepting donations directly from companies, and reviews potential donations from corporate foundations, senior executives at major corporations, and pro-bono legal support on a case-by-case basis.



The highest proportion of our income comes from foundations. This year we experienced a growth in income from foundations and individuals, raising our overall income to £2,598,629. This was 64% higher than the previous year, a result of securing several multi-year grants. A proportion of our core costs have continued to be funded by multi-year core grants received in previous years.

Income from governments remained relatively stable at 14%. We continued to develop more strategic relations with governments, and received new funding from the Australian Government.

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

Over the past 3 years we have diversified our funding sources from 13 in FY 2014–15 to 21 in FY 2017–18.

## Fundraising

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

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

We adhere to the Fundraising Regulator's Code of Fundraising Practice and align all our institutional and individual fundraising efforts with their guidelines. We make every effort to ensure that our fundraising does not intrude on peoples' privacy, that it is not unreasonably persistent, and that it does not place pressure on anyone to donate to our organization. The Development Team monitors its own fundraising activities and adherence to the Code of Fundraising Practice, and presents its work to the Senior Management Team and Board for evaluation and approval on a regular basis.

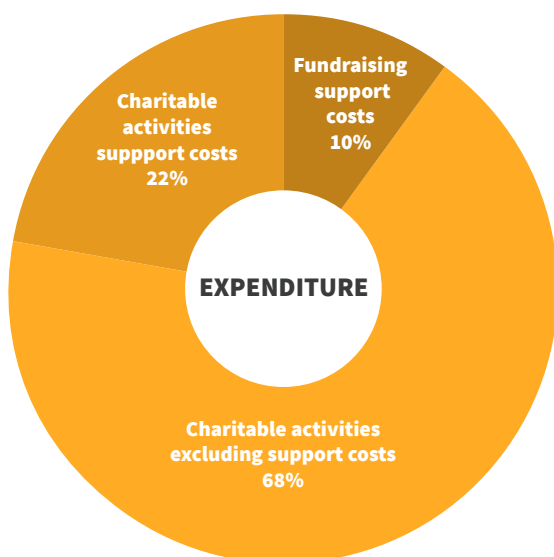
To strengthen our relationship with supporters, we continue to develop new approaches to supporter engagement. By gaining insights from our supporter base through regular communication, we are aware of what matters to our supporters and seek to align our database, technology and practices with supporter expectations.

We aspire to best practice in the way we engage our supporters, and our fundraising activity has only generated complaints twice in the past ten years. In March 2018, we received one complaint from a member of the public in regard to a fundraising appeal. We immediately sent an apology to the complainant. We encourage any supporters with questions about our fundraising to contact us.

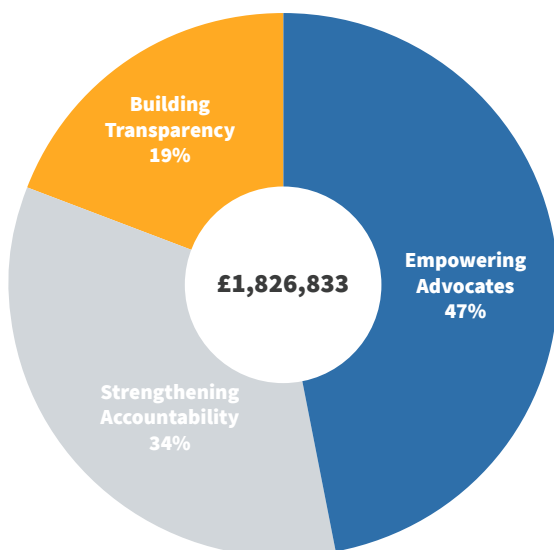


### Expenditure

Our total expenditure increased by 23% in the year to £2,034,390. This expenditure was funded by income generated in the year, partly by funds brought forward for activities intended to be carried out during the year, and designated reserves generated from prior year surpluses.



Expenditure on our charitable activities increased by 23% or £343,020 in the year to £1,826,833.



We increased our staff capacity mainly in relation to project staff, as a result of renewed funding from several funders, in particular for KnowTheChain and the Middle East and North Africa (MENA) regional projects. We modestly increased our staff capacity in communications, IT and finance in order to further strengthen our global media coverage, social media presence, IT capabilities and ensure our finance function is able to keep pace with our rate of organisational growth. Our US staff numbers increased

considerably together with a subsequent increase in US staff costs relating to provision of healthcare for US employees.

Travel and event expenditure increased substantially, mainly due to project-related workshops, increased travel by senior key personnel for donor relationship and project development purposes, and costs incurred prior to year-end for our first Global Team Retreat (GTR) which took place in May 2018. GTR costs were allocated against the designated reserves identified during the year.

We invested in the development of our first communications strategy. This strategy outlines how we will improve our communications to serve and empower Global South groups through regional and local social media, grow the Resource Centre as an authoritative voice with investors and companies through business press, and launch a digital transformation of the Resource Centre and its platforms.

Our legal costs increased this year as result of pro bono legal services received during the year in relation to the set-up of our Australian subsidiary and the hiring and relocation of two non-US citizen staff members to the US. The pro bono legal services have been disclosed in our accounts in accordance with the SORP. Our office costs also increased this year, resulting from relocation of our London office and rental of a few spaces in a Washington DC office.

We invested considerably in our website, with the majority of enhancements being funded by project grants, and some new and existing staff were provided with new laptops throughout the year. These costs were capitalised as per our fixed assets and depreciation policy.

During the year, we have continued to improve and enhance our internal financial management and control systems, utilising the Charity Commission’s CC8 checklist to perform a thorough evaluation of our performance against the legal requirements and good practice recommendations set out in the Commission’s guidance on internal financial controls for charities. A project tracking system was introduced at the beginning of the year that has greatly facilitated our project tracking capabilities, both financially and operationally. Continued improvements to detailed analyses of our income, expenditure and reserves for internal management and control purposes have supported improved decision making and

strategic development. An organisational Finance Manual has now been established and is a further tool to improve and strengthen our control over and management of the organisation's finances and financial processes.

### Reserves

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

The minimum 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 £70,000 for the year. With a general reserve of £175,005 brought forward from prior years, there is a cumulative general reserve of £245,005 as of the end of financial year 2017/18. This represents our minimum target level of three months of budgeted core expenditure for financial year 2018/19.

We review reserves on a group basis but are aware that the UK general fund was in deficit by £30,736 at the year end. This was because during the year the UK entity incurred costs for which income was received by the US entity and no formal cross charges were made between the entities. The arrangements between the entities within the group is currently under review.

### Reconciliation of funds carried forward to reserves

	2018 £	2017 £
<b>Group (Global)</b>		
Funds carried forward (as per SoFA)	1,633,958	1,268,936
Less:		
Restricted funds	(500,737)	(615,709)
Designated funds	-	-
<b>Unrestricted funds</b>	<b>1,133,221</b>	<b>653,227</b>
Add / (Less):		
Unrealised FX (gain) / loss	145,181	(129,786)
Less:		
Unrestricted funds recognised in the year but for use in future years	(1,152,535)	(324,889)
Designated reserves *	(55,867)	(113,552)
<b>General reserves</b>	<b>70,000</b>	<b>85,000</b>

\* Designated reserves have been ear-marked for specific strategic purposes of the Resource Centre and includes an investment in organisational development to ensure this keeps pace with our growth. This will occur during FY 2018-19. Other designated reserves will be invested in 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

Anonymous Donor  
 Columbia Center on Sustainable Development  
 Ford Foundation  
 Freedom Fund  
 Humanity United  
 Foreign Trade Association AISBL  
 Fund for Global Human Rights  
 Hispanics in Philanthropy  
 International Rescue Committee  
 International Trade Union Confederation  
 National Endowment for Democracy  
 Oak Foundation  
 Open Society Foundations  
 Oxfam GB Regional Centre Bangkok  
 Ruth Turner Fund  
 The Open Society Initiative for Southern Africa (OSISA)  
 Unicef  
 Wallace Global Fund  
 Wellspring Philanthropic Fund

### Governments and multilateral actors

Australian Government's Department of Foreign Affairs and Trade  
 German Federal Ministry of Economic Cooperation and Development, supported by the German Agency for International Cooperation (GIZ)  
 The Swiss Confederation, represented by the Swiss Federal Department of Foreign Affairs

### Individuals

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

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

This report was approved and authorised for issue by the Board on .....  
 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)

## Opinion

We have audited the financial statements of Business and Human Rights Resource Centre (the 'Parent charitable company') and its subsidiary (the 'Group') for the year ended 31 March 2018 which comprise the Consolidated Statement of Financial Activities, the Group and Parent Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Parent charitable company's affairs as at 31 March 2018, and of the group 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.

## Basis for opinion

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

## Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or Parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

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

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

We have nothing to report in this regard.

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

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

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

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

In the light of our knowledge and understanding of the Group and Parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees’ report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

**Responsibilities of Trustees**

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

In preparing the financial statements, the Trustees are responsible for assessing the Group and Parent charitable company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting

unless the Trustees either intend to liquidate the Group and Parent charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor’s responsibilities for the audit of the financial statements**

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

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

**Use of this report**

This report is made solely to the charitable company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Helen Blundell LLB FCA FCIE DChA  
(Senior Statutory Auditor)

For and on behalf of:  
**MHA MacIntyre Hudson**  
*Chartered Accountants and Statutory Auditor*  
Rutland House, 148 Edmund Street  
Birmingham, West Midlands, B3 2FD

Date .....

## Financial Statements

### Consolidated Financial Statement of Activities

#### Incorporating the income and expenditure account

For the year ended 31 March 2018

	Notes	Unrestricted £	Restricted £	2018 £	2017 £
<b>Income from</b>					
Donations and legacies	2	1,634,305	-	1,634,305	372,964
Charitable activities	3	-	964,273	964,273	1,213,731
Investments	4	51	-	51	106
<b>Total Income</b>		<b>1,634,356</b>	<b>964,273</b>	<b>2,598,629</b>	<b>1,586,801</b>
<b>Expenditure</b>					
Cost of raising funds	5	207,557	-	207,557	172,102
Expenditure on charitable activities	5	747,588	1,079,245	1,826,833	1,483,813
<b>Total resources expended</b>		<b>955,145</b>	<b>1,079,245</b>	<b>2,034,390</b>	<b>1,655,915</b>
<b>Net income/(expenditure) for the year</b>		679,211	(114,972)	564,239	(69,114)
Other recognised gains and losses		(145,181)	-	(145,181)	129,786
Unrealised Gain/(loss) on revaluation of foreign currency subsidiary		534,030	(114,972)	419,058	60,672
Net movement in funds		599,191	615,709	1,214,900	1,154,228
<b>Fund balances carried forward</b>		<b>1,133,221</b>	<b>500,737</b>	<b>1,633,958*</b>	<b>1,214,900</b>

\* £1,633,958 fund balances carried forward include multi-year grants which are to be used in future years.

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 – Company number: 04555494

### Consolidated and Charity Balance sheets

As at 31 March 2018

	Notes	2018		2017	
		Group (Global) £	Charity (UK) £	Group (Global) £	Charity (UK) £
<b>Fixed assets</b>					
Tangible assets	9	84,307	78,171	41,410	40,613
		84,307	78,171	41,410	40,613
<b>Current assets</b>					
Debtors	10	1,124,324	112,977	448,944	144,907
Cash at bank and in hand		534,226	34,667	945,924	308,704
		1,658,550	147,644	1,394,868	453,611
<b>Creditors:</b> amounts falling due within one year	11	(108,899)	(75,564)	(221,378)	(146,919)
		1,549,651	72,080	1,173,490	306,692
<b>Net current assets</b>		1,549,651	72,080	1,173,490	306,692
<b>Total assets less current liabilities</b>		1,633,958	150,251	1,214,900	347,305
<b>Represented by</b>					
<b>Unrestricted funds</b>	12	1,133,221	(30,736)	599,191	237,305
<b>Restricted funds</b>	12	500,737	180,987	615,709	110,000
		1,633,958	150,251	1,214,900	347,305

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

**Kathleen Parsons**  
Trustee/Treasurer

## Financial Statements

### Consolidated Statement of Cash Flows

For the year ended 31 March 2018

	Notes	2018 £	2017 £
<b>Reconciliation of net income to net cash flow from operating activities</b>			
Net income for the reporting period (as per the statement of financial activities)		419,058	60,672
<b>Adjustment for:</b>			
Add back depreciation charges	9	33,012	35,923
Decrease (increase) in debtors	10	(675,380)	270,345
Increase (decrease) in creditors	11	(112,479)	106,966
<b>Net cash provided by / (used in) operating activities</b>		<b>(335,789)</b>	<b>473,906</b>
<b>Statement of cash flows</b>			
<b>Cash flows from operating activities:</b>			
Net cash provided by / (used in) operating activities		(335,789)	473,906
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets	9	(75,909)	(33,158)
<b>Net cash (used in) / provided by investing activities</b>		<b>(75,909)</b>	<b>(33,158)</b>
<b>Change in cash and cash equivalents in the reporting period</b>			
Cash and cash equivalents at the beginning of the reporting period		945,924	505,176
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>534,226</b>	<b>945,924</b>



## Notes to the accounts

For the year ended 31 March 2018

### 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.

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

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

#### c) Fund Accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

#### d) Expenditure

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

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

#### e) Allocation of support costs

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

**f) Fixed assets & depreciation**

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

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

Computer equipment	-	33%
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 (Unrestricted income)

	2018 £	2017 £
<b>Group (Global)</b>		
<b>Grants from foundations and governments</b>		
Adessium Foundation	-	59,828
Anonymous Donor	-	76,465
Ford Foundation	303,105	-
Open Society Foundations	909,324	-
The Ruth Turner Fund	18,944	19,116
Wallace Global Fund	34,099	34,409
Wellspring Philanthropic Fund	265,224	114,697
Donated goods and services**	34,580	-
UK bad grant debtors write off	(5933)	-
<b>Individual donations</b>	74,962	68,449
	1,634,305	372,964

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

	2018 £	2017 £
<b>Group (Global)</b>		
Building transparency	314,088	419,652
Strengthening accountability	295,902	346,957
Empowering advocates	354,283	447,122
	964,273	1,213,731
<b>Grants which fund charitable activities:</b>		
Australian Government's Department of Foreign Affairs and Trade*	45,468	-
Ford Foundation	-	152,929
Freedom Fund	-	125,000
German Federal Ministry of Economic Cooperation and Development supported by GIZ*	172,708	22,565
Humanity United	356,905	327,574
International Trade Union Confederation	362	9928
Ministry of Foreign Affairs, Kingdom of the Netherlands*	-	105,349
National Endowment for Democracy	81,459	72,259
Oak Foundation	78,900	-
Open Society Foundations	204,595	107,051
Open Society Foundations (CHRI partnership)**	(68,834)	180,943
Other small grants and contributions	27,073	-
Oxfam GB Regional Centre Bangkok	-	66,983
Swiss Federal Department of Foreign Affairs*	47,982	38,150
The Open Society Initiative for Southern Africa (OSISA)	15,155	-
Unicef	2500	5000
	964,273	1,213,731

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

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

\*\*\* During the year we agreed with our partners at CHRI that they would cover the costs of the project consultants from September 2017 onwards. Therefore, BHRRC's funding portion of the grant was reduced to reflect the transfer of costs.

### 4. Investment income

	2018 £	2017 £
Bank interest receivable	51	106
	51	106

## 5. Expenditure

	Direct costs £	Support costs £	Total 2018 £	Total 2017 £
<b>Raising funds</b>				
Fundraising	-	207,557	207,557	172,102
<b>Sub-total</b>	<b>-</b>	<b>207,557</b>	<b>207,557</b>	<b>172,102</b>
<b>Charitable activities</b>				
Building transparency	225,854	115,016	340,870	306,617
Strengthening accountability	491,196	139,054	630,250	453,123
Empowering advocates	670,247	185,466	855,713	724,073
<b>Sub-total</b>	<b>1,387,297</b>	<b>439,536</b>	<b>1,826,833</b>	<b>1,483,813</b>
<b>Total</b>	<b>1,387,297</b>	<b>647,093</b>	<b>2,034,390</b>	<b>1,655,915</b>

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

## 6. Support costs by activity

	Raising funds £	Building transparency £	Strengthening accountability £	Empowering advocates £	Total 2018 £	Total 2017 £
Central management	3586	7220	26,972	53,906	91,684	104,942
Central finance, administration and human resources	3869	34,141	38,420	51,896	128,326	108,007
Fundraising	200,102	1372	1373	1414	204,261	153,436
Communication	-	22,920	22,920	27,386	73,226	14,359
Central facilities	-	29,034	29,038	29,917	87,989	81,501
Governance	-	20,329	20,331	20,947	61,607	11,594
<b>Total</b>	<b>207,557</b>	<b>115,016</b>	<b>139,054</b>	<b>185,466</b>	<b>647,093</b>	<b>473,839</b>

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

## Analysis of governance costs

	2018 £	2017 £
Trustee expenses and meetings	6338	3975
Audit	7200	7300
Legal	47,973	304
Other governance costs	96	15
	<b>61,607</b>	<b>11,594</b>

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

## 7. Global Team Costs

The average number of employees during the year was 21.2 (2016/17: 15.8).

The average number of part-time researchers working as consultants / independent contractors during the year was 13.6 (2016/17: 13)

	2018 £	2017 £
Staff costs during the year amounted to:		
Wages and salaries	875,642	715,674
Social security costs	88,638	70,861
Employer's pension contributions	46,405	44,415
	<b>1,010,685</b>	<b>830,950</b>
Other staff related costs (including travel)	182,618	133,371
Part-time senior & regional researchers; consultants*	557,813	470,334
	<b>1,751,116</b>	<b>1,434,655</b>

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

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

	2018	2017
£60,000 to £70,000	-	1
£70,000 to £80,000	1	1
£80,000 to £90,000	2	-
£90,000 to £100,000	1	2

Retirement benefits are paid under a defined contribution scheme. The total employer pension contributions paid were £31,959 for the year (2016/17: £23,620) with £14,446 (2016/17: £20,795) owing as at 31 March 2018. Employer pension contributions in respect of the higher paid staff were £17,438 (2016/17: £7,252) with £11,276 (2016/17: £13,462) owing at year end.

No trustee, nor any person connected with them, received any remuneration from the charity. Two Trustees were reimbursed expenses totalling £3689 (2016/17: £714 – one trustee) for travel expenses in connection with their duties as a trustee with regards to travel on missions to higher risk countries.

The key management personnel comprise the Trustees, the Executive Director, Deputy Director & Head of Europe Office, Deputy Director & Head of North America Office (from May 2017), Research Director (until August 2017), Labour Rights Director (from November 2017) and Senior Development Director. The total employee benefits of the key management personnel were £415,533 (2016/17: £395,723). This includes gross pay, employers National Insurance and pensions.

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

This is stated after charging:

	2018 £	2017 £
Depreciation	33,070	35,923
Auditor's remuneration - cost of audit (inc. VAT)	7200	7300

## 9. Tangible fixed assets – Group (Global)

	Website £	Computer equipment £	Total £
<b>Costs</b>			
1 April 2017	136,818	20,916	157,734
Additions	62,047	13,862	75,909
<b>31 March 2018</b>	<b>198,865</b>	<b>34,778</b>	<b>233,643</b>
<b>Depreciation</b>			
1 April 2017	95,408	20,916	116,324
Charge for the year	29,967	3,045	33,012
<b>31 March 2018</b>	<b>125,375</b>	<b>23,961</b>	<b>149,336</b>
<b>Net book value</b>			
<b>31 March 2018</b>	<b>73,490</b>	<b>10,817</b>	<b>84,307</b>
31 March 2017	41,410	-	41,410

## Tangible fixed assets – Charity (UK)

	Website £	Computer equipment £	Total £
<b>Costs</b>			
1 April 2017	134,353	18,074	152,427
Additions	62,047	6135	68,182
<b>31 March 2018</b>	<b>196,400</b>	<b>24,209</b>	<b>220,609</b>
<b>Depreciation</b>			
1 April 2017	93,740	18,074	111,814
Charge for the year	29,170	1,454	30,624
<b>31 March 2018</b>	<b>122,910</b>	<b>19,528</b>	<b>142,438</b>
<b>Net book value</b>			
<b>31 March 2018</b>	<b>73,490</b>	<b>4681</b>	<b>78,171</b>
31 March 2017	40,613	-	40,613



## 10. Debtors

	2018		2017	
	Group (Global) £	Charity (UK) £	Group (Global) £	Charity (UK) £
<b>Due within one year</b>				
Other Debtors / Prepayments	44,360	37,891	30,748	21,696
Grant debtor	1,079,964	67,667	418,196	114,001
Loan to subsidiary undertaking	-	7419	-	9210
	<b>1,124,324</b>	<b>112,977</b>	<b>448,944</b>	<b>144,907</b>

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

	2018		2017	
	Group (Global) £	Charity (UK) £	Group (Global) £	Charity (UK) £
Trade creditors	52,432	26,442	68,613	36,165
Tax and social security creditors	16,179	16,179	14,887	14,887
Accruals	36,414	29,069	80,253	38,242
Other creditors	2874	2874	9643	9643
Deferred income	1000	1000	47,982	47,982
	<b>108,899</b>	<b>75,564</b>	<b>221,378</b>	<b>146,919</b>

	2018 £	2017 £
Deferred income:		
Deferred income brought forward	-	47,982
Amounts released	-	(47,982)
Income deferred in the year	1000	-
	<b>1000</b>	<b>-</b>

The deferred income relates to a contribution from Oxfam for £1000 which was received in advance for the financial year 2018–19.

## 12. Funds – Group (Global)

### Current Year

	Balance at 1/4/17 £	Income £	Expenditure £	Transfers £	Unrealised Currency gain/(loss) £	Balance at 31/3/18 £
<i>Restricted funds</i>						
<b>Defending labour rights</b>	572,508	775,086	(905,804)	-	-	441,790
<b>Protecting civic freedoms and human rights defenders</b>	29,247	146,879	(129,913)	-	-	46,213
<b>Promoting responsible resource use</b>	13,954	42,308	(43,528)	-	-	12,734
<b>Restricted funds</b>	615,709	964,273	(1,079,245)	-	-	500,737
<i>Unrestricted funds</i>						
<b>General funds</b>	310,634	1,564,356	(867,008)	(30,452)	(145,181)	832,349
<b>General reserve</b>	175,005	70,000	-	-	-	245,005
<b>Designated reserve</b>	113,552	-	(88,137)	30,452	-	55,867
<b>Total unrestricted funds</b>	599,191	1,634,356	(955,145)	-	(145,181)	1,133,221
<b>Total funds</b>	1,214,900	2,598,629	(2,034,390)	-	(145,181)	1,633,958

### Prior year comparative

	Balance at 1/4/16 £	Income £	Expenditure £	Transfers £	Unrealised Currency gain/(loss) £	Balance at 31/3/17 £
<i>Restricted funds</i>						
<b>Defending labour rights</b>	202,560	953,158	(583,211)	-	-	572,507
<b>Protecting civic freedoms and human rights defenders</b>	15,787	236,487	(223,026)	-	-	29,248
<b>Promoting responsible resource use</b>	15,787	24,086	(25,919)	-	-	13,954
<b>Other</b>	9,457	-	(9,457)	-	-	-
<b>Restricted funds</b>	243,591	1,213,731	(841,613)	-	-	615,709
<i>Unrestricted funds</i>						
<b>General funds</b>	772,616	288,070	(814,302)	(65,536)	129,786	310,634
<b>General reserve</b>	90,005	85,000	-	-	-	175,005
<b>Designated reserve</b>	48,016	-	-	65,536	-	113,552
<b>Total unrestricted funds</b>	910,637	373,070	(814,302)	-	129,786	599,191
<b>Total funds</b>	1,154,228	1,586,801	(1,655,915)	-	129,786	1,214,900

Name of Fund	Description, nature and purposes of fund
<b>Restricted funds</b>	
<b>Defending labour rights</b>	Covers work on two clusters: the most egregious forms of abuse in trafficking, rights of refugees and migrant workers, forced labour and modern slavery; and rights to decent work, a living wage, freedom of association and collective bargaining.
<b>Protecting civic freedoms and human rights defenders</b>	Covers work with allies to expose the denial of civic freedoms and attacks on human rights defenders, and work with progressive business to increase their voice and impact to counter these trends.
<b>Promoting responsible resource use</b>	Focuses on land and water rights associated with mining and mega-projects; and promoting a fair and fast transition to a low carbon economy by promoting human rights due diligence by the renewable sector.
<b>Other</b>	Support the development of fundraising capacity and transition of leadership of the Resource Centre.
<b>Unrestricted funds</b>	
<b>General funds</b>	Unrestricted grants which are to be used over multiple years for planned core expenditure.
<b>General reserve</b>	The “free reserve” after allowing for all designated funds. Further detail describing this reserve is provided in the reserves policy on page 26.
<b>Designated reserve</b>	Described in the reserves policy on page 26.

## Charity (UK)

### Current Year

	Balance at 1/4/17 £	Income £	Expenditure £	Unrealised Currency gain/(loss) £	Balance at 31/3/18 £
<b>Restricted funds</b>					
<b>Defending labour rights</b>	110,000	355,670	(284,683)	-	180,987
<b>Restricted funds</b>	110,000	355,670	(284,683)	-	180,987
<b>Unrestricted funds: General fund</b>	237,305	6471	(275,291)	779	(30,736)
<b>Total funds</b>	347,305	362,141	(559,974)	779	150,251

The UK general fund deficit is explained in the reserves policy on page 26.

### Prior year comparative

	Balance at 1/4/16 £	Income £	Expenditure £	Unrealised Currency gain/(loss) £	Balance at 31/3/17 £
<b>Restricted funds</b>					
<b>Defending labour rights</b>	100,636	200,643	(191,279)	-	110,000
<b>Protecting civic freedoms and human rights defenders</b>	-	105,349	(105,349)	-	-
<b>Restricted funds</b>	100,636	305,992	(296,628)	-	110,000
<b>Unrestricted funds: General fund</b>	387,719	499,566	(674,140)	14,160	237,305
<b>Total funds</b>	498,355	805,558	(970,768)	14,160	347,305

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

#### Current year

	Unrestricted £	Restricted £	Total £
<b>2018</b>			
Tangible assets	84,307	-	84,307
Net current assets	1,048,914	500,737	1,549,651
<b>Net assets</b>	<b>1,133,221</b>	<b>500,737</b>	<b>1,633,958</b>

#### Prior Year

	Unrestricted £	Restricted £	Total £
<b>2017</b>			
Tangible assets	41,410	-	41,410
Net current assets	557,781	615,709	1,173,490
<b>Net assets</b>	<b>599,191</b>	<b>615,709</b>	<b>1,214,900</b>

### Analysis of net assets between funds – Charity (UK)

#### Current year

	Unrestricted £	Restricted £	Total £
<b>2018</b>			
Tangible assets	78,171	-	78,171
Net current assets	(108,907)	180,987	72,080
<b>Net assets</b>	<b>(30,736)</b>	<b>180,987</b>	<b>150,251</b>

#### Prior Year

	Unrestricted £	Restricted £	Total £
<b>2017</b>			
Tangible assets	40,613	-	40,613
Net current assets	196,692	110,000	306,692
<b>Net assets</b>	<b>237,305</b>	<b>110,000</b>	<b>347,305</b>

## 14. Operating leases

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	65,244	60,941
Between 1 and 5 years	85,320	151,473
<b>Total</b>	<b>150,564</b>	<b>212,414</b>

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	35,431	31,750
Between 1 and 5 years	68,438	103,565
<b>Total</b>	<b>103,869</b>	<b>135,315</b>

## 15. Subsidiary undertaking

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

The Directors of this US Corporation are Chris Jochnick, Michael Hirschhorn, Mila Rosenthal, Heather Grady, Kirsty Jenkinson, Tanya Peterson (until May 2018), Ashwini Sukthankar (until Oct 2017), Anne Travers, Komala Ramachandra (from Jun 2017) and Shawna Bader-Blau (from Oct 2017).

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

	2018 £	2017 £
Income	2,236,488	781,243
Expenditure	(1,474,416)	(685,147)
<b>Net (expenditure)/income for the year</b>	<b>762,072</b>	<b>96,096</b>

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
<b>Net assets</b>	<b>1,163,957</b>	<b>319,750</b>	<b>1,483,707</b>	<b>867,595</b>

During the year the Resource Centre initiated the process of establishing a subsidiary in Australia to maximise its ability to seek funding from independent foundations, foreign ministries, governmental agencies and private individuals in Australia so that it can promote and expand its activities in region. The entity was successfully incorporated as a wholly owned subsidiary, named Business and Human Rights Resource Centre (Australia New Zealand and Pacific) Limited, with the Resource Centre as the sole member of that entity on 6 July 2018.

The Directors of the Australian company are Amanda Sinclair, Justine Nolan and Philip Bloomer.

An application has been made to the Australian Tax Office for an Australian Business Number (ABN). Once an ABN is obtained, an application will be made to register as a charity with the Australian Charities and Not-for Profit Commission respectively.

## 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:

	2018 £	2017 £
Income	362,141	805,558
Expenditure	(559,974)	(970,768)
<b>Net (expenditure)/income for the year</b>	<b>(197,833)</b>	<b>(165,210)</b>

# Legal and Administrative Details

## Principal address & registered office

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

## Auditors

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

## Bankers

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

## Solicitors

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

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**Business & Human Rights  
Resource Centre**