

Company number: 05559173

Charity number: 1113288

The Equal Rights Trust

Report and financial statements

For the year ended 30 September 2017

The Equal Rights Trust

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For the year ended 30 September 2017

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The Equal Rights Trust

Reference and administrative information

For the year ended 30 September 2017

Company number 05559173

Charity number 1113288

Registered office and operational address 314–320 Gray’s Inn Road
London
WC1X 8DP

Country of Registration England & Wales

Country of Incorporation United Kingdom

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Saphieh Ashtiany Chair
Robert Andrew Niven Vice Chair
Robin Allen (appointed July 2017)
Ferdous Ara Begum (appointed July 2017)
Andrew Charles Danby Bloch
Tapan Kumar Bose (resigned 26 November 2016)
Evelyn Collins (appointed July 2017)
Hywel Ceri Jones (resigned 28 February 2017)
Luc Tayart de Borms
Asma Jahangir (resigned July 2017)
Virginia Mantouvalou
Quinn McKew (appointed July 2017)
Helen Mountfield
Catherine Mary Elizabeth O’Regan
Michael Rubenstein (stepped down October 2017)
Stephen Sedley
Sylvia Tamale (resigned 6 December 2016)

Key management personnel Jim Fitzgerald Co-Director
Joanna Whiteman Co-Director

Bankers Coutts & Co
440 The Strand
LONDON
EC4M 6YH

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For the year ended 30 September 2017

Solicitors Bates Wells & Braithwaite
 2-6 Cannon Street
 LONDON
 EC4M 6YH

Auditor Sayer Vincent LLP
 Chartered Accountants and Statutory Auditor
 Invicta House
 108-114 Golden Lane
 LONDON
 EC1Y 0TL

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Trustees' annual report

For the year ended 30 September 2017

The trustees present their report and the audited financial statements for the year ended 30 September 2017.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The objects and purposes of the Equal Rights Trust, as set out in our Memorandum and Articles of Association, are to promote equality of treatment and diversity throughout the world, in accordance with the principles contained in the Universal Declaration of Human Rights and subsequent United Nations covenants, conventions and regional human rights and equality codes by all or any of the following means:

- Promoting understanding of the importance of equality and diversity in the context of human rights generally;
- Encouraging good practice in relation to equality and diversity;
- Promoting equality of opportunity and treatment without discrimination on any ground;
- Promoting awareness and understanding of the effective enjoyment of human rights without discrimination;
- Working towards the elimination of unlawful discrimination;
- Obtaining redress for victims of unlawful discrimination;
- Conducting research, providing education and training; and
- Giving advice and guidance on appropriate legislative, administrative and voluntary measures.

The trustees have had regard to the Charity Commission's guidance on public benefit and consider that both the objects and purposes of the Trust, and the activities undertaken to achieve these objects and purposes are for the public benefit. When reviewing the charity's aims and objectives and in planning its future activities, the trustees have regard to the public benefit of the organisation. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

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Approach

The Trust was founded to pursue and promote a “unified perspective on equality”. The unified perspective centres on the right to equality as a right to participate in all areas of life on an equal basis, and emphasises the need to take a holistic, comprehensive approach to different types of inequalities, arising on the basis of different grounds, and in different areas of life.

The unified perspective on equality provides the conceptual framework for all our work. At the national level, this means that we bring together actors working with and on behalf of different marginalised groups to promote the adoption and implementation of equality law for the benefit of all persons. At the thematic level, it means that we examine the various intersections between inequality and other problems of human rights and social justice, ranging from nationality rights to freedom of expression, and from torture and ill-treatment to sustainable development.

The Trust has, since its foundation, focused on how to promote equality through the enactment and implementation of equality law. We do this through undertaking work in four different, but mutually supporting, programmes:

- **Advocacy:** Undertaking and supporting human rights advocacy at the international and domestic levels;
- **Litigation and legal services:** Participation in strategic litigation and assistance with access to justice;
- **Support to the development of equality movements:** Capacity- and coalition-building activities in support of those dedicated to combating discrimination;
- **Research and resources:** Documentation of abuses of the right to equality and legal and policy research which develops the field of equality.

Programmes and Activities

The Trust's work aims to support the development, adoption and implementation of comprehensive equality laws, and thus to enhance protection from discrimination for our ultimate beneficiaries. All of our programmes and projects are designed to contribute to this long-term objective.

The Trust undertakes its work through four mutually-supporting programmes. Our **advocacy** programme seeks to promote legal reform on equality through the political process at the local, national, regional and international levels. Our **litigation and legal services** programme seeks to improve the interpretation and implementation of laws on equality, through bringing strategic cases and providing legal assistance to victims of discrimination. Our **supporting equality movements** programme seeks to strengthen and support the work of equality defenders, through training and capacity building, and supporting the development of equality coalitions. Our **research and resources** programme seeks to document patterns of discrimination, to map the links between equality and other human rights violations, and to generate resources for use by equality

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activists. Our programmes are not mutually exclusive, but interlinked, with activity under each one supporting and complementing that under each of the others.

Much of the Trust's programme work is delivered in the context of global or country-specific restricted grant-funded projects, for each of which a combination of activities within the four programmes is employed. In the year 2016–17, the Trust undertook country-specific work in a total of 27 different countries across Europe, the Middle East and North Africa, Sub-Saharan Africa, Central, South and South East Asia and South America.

Partnerships

The Trust implements all of its activities in partnership with other key stakeholders. Any country-specific activities are designed and implemented in partnership with at least one non-governmental organisation based in the country of operation. At the global level, we ensure the engagement of key stakeholders through international expert steering committees and other collaboration, both formal and informal, with relevant stakeholders.

We see this partnership model as crucial to ensuring that our work is relevant to the needs of the equality community in question, be that the global community or specific communities at the national level, with a particular focus on civil society. Partnership working is also essential to ensuring the efficiency, effectiveness and sustainability of our work. For example, our national partners ensure the timely and effective delivery of activities, and work to maximise collaboration and minimise duplication with other organisations and initiatives.

Achievements and impact

All of the Trust's charitable activities focus on combating all forms of discrimination and promoting equality as a fundamental right and principle of social justice and are undertaken to further the Trust's charitable purposes for the public benefit.

The Trust organises its work into four programmes, each of which is designed to contribute to improving protection from discrimination and promoting equality of participation through a different method of intervention aimed at improving equality law and its implementation and enforcement. Highlights of our activities, achievements and impact during the year under each of our four programmes is set out below:

Advocacy

We advocate for improvements to international standards on the rights to equality and non-discrimination and to national equality laws, policies and practices so they can be brought into line with international standards. At the international level, the Trust collaborates where possible with other stakeholders on key issues, as well as focusing on providing our own input on matters of importance for equality and non-discrimination in the form of oral and written submissions to international treaty bodies. At the national level, our advocacy work is undertaken in partnership

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with civil society organisations in the relevant country, and much of our work at the domestic level consists of supporting our partners to develop and implement advocacy strategies to improve protection from discrimination.

International Advocacy

During the course of the year, the Trust continued to engage with United Nations human rights bodies to promote improved interpretation of international human rights conventions. One significant impact of this work came as a result of our engagement with the UN Committee on the Rights of Persons of Disabilities during its development of a new General Comment 6 on the right to non-discrimination. The Committee's first draft of the General Comment reflected almost all of the Trust's recommendations, with the result that the document is set to become the most progressive interpretative documents on the rights to non-discrimination equality at the UN level. Of particular note is the Committee's inclusion of text clarifying that positive action is not merely an exception to the right to non-discrimination, but an obligation on the state; and the Committee's inclusion of and definition of the four forms of discrimination in terms which reflect those in the Declaration of Principles on Equality.

The Trust also continued its programme of engagement with the treaty bodies through submitting evidence on states' implementation of their convention obligations on equality and non-discrimination. One example of the impact of this work was the decision by the Committee on the Rights of Persons with Disabilities to call on Jordan to combat "discriminatory torture and ill-treatment" against persons with mental disabilities. This was the first time that this term - which the Trust developed - had been used by an international human rights body.

Domestic Advocacy

At the domestic level, the Trust worked with our partners to promote legal reforms to improve protection from discrimination. The most significant impact of our engagement at the domestic level this year was an announcement by the Jordanian authorities on the issue of the "protective custody" of women victims of domestic violence, an issue which the Trust and our partner Mizan have been campaigning on for a number of years. The government agreed to cease the detention of domestic violence survivors, to work in a partnership with Mizan to ensure that all women who currently remain in protective custody are released, with measures in place to ensure their safety, and to provide JOD 1 million (approximately £1 million) to facilitate the establishment of shelters for domestic violence survivors.

Another highlight was the Trust's engagement with both state and non-state actors in Kazakhstan and Kyrgyzstan in December 2016, on the need for these states to adopt comprehensive anti-discrimination laws and to reform discriminatory legal provisions. These discussions took place in the context of the launch of the Trust's reports *In the Name of Unity: Addressing Discrimination and Inequality in Kazakhstan* and *Looking for Harmony: Addressing Discrimination and Inequality in Kyrgyzstan* and acted as a catalyst to further work by civil society in both states.

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Technical and Strategic Support to Civil Society

Over the course of the year, we strengthened the support which the Trust provides to civil society advocacy efforts in the countries in which we work. Following consultation with our partners, we developed an advocacy strategy toolkit, and worked with civil society partners in a number of countries to develop ambitious but credible strategies to secure legal reforms on equality at the domestic level.

In January, we launched our most ambitious advocacy initiative to date – a multi-country project in which the Trust will provide training, strategic and technical support and grant funding to civil society organisations in nine different countries to support advocacy to improve the implementation of the right to non-discrimination under international conventions. As a first step, the Trust undertook fact-finding missions to all nine countries, engaging with more than 400 civil society, trade union, government and other stakeholders.

Strategic litigation and Legal Services

We support and participate in strategic litigation which is aimed at generating jurisprudence that advances the enjoyment of the rights to equality and non-discrimination and ensuring access to justice for victims of discrimination. At the international and regional levels, we provide technical and financial support to lawyers taking strategic equality and non-discrimination cases to international and regional courts and committees. Where relevant and desirable, we also intervene as a third party in equality and non-discrimination cases, providing progressive equality analysis on the applicable rights to equality and non-discrimination. We rarely, but occasionally, take collective complaints in our own name. At the national level, as with our advocacy work, our litigation work is undertaken in partnership with national lawyers and civil society representatives, whom we support to identify and develop strategic cases designed to improve interpretations of the rights to equality and non-discrimination. We also support lawyers and non-governmental organisations to design equality-sensitive legal service mechanisms and provide legal services to those who have experienced discrimination.

Strategic Litigation

Particular highlights of our litigation work during the year arose in the context of a project which the Trust implemented in Moldova, building on the knowledge and networks built over a number of years working in the country. Due to the lengthy litigation process, impacts of our litigation work is usually only measurable in the years after which it has been undertaken. In the first half of 2016, the Trust provided technical and financial support to a lawyer at our Moldovan partner Promo-LEX to take a case to the Constitutional Court challenge a number of provisions of Moldova's Code of Civil Procedure (*Case S.V. v. Cocieri Psycho-Neurological Home*). Among other things, the provisions in question resulted in more than 3000 people with disabilities in Moldova being denied legal capacity and a right to choose their own lawyer. We argued that the provisions discriminated against people with disabilities. On 17 November 2016, the Constitutional Court agreed and found the relevant provisions unconstitutional. It has been declared to be the most

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significant Constitutional Court judgment of 2016 and is a significant victory for those denied legal capacity in Moldova. The lawyer whom we supported has been provided with an award by the court for best oral argument of the year. Legal reform has followed the judgment, meaning that this injustice in the Moldovan legal system has now been corrected.

This year, the Trust and our partner Promo-LEX have continued to pursue strategic litigation in Moldova. We worked with four Moldovan lawyers to initiate and develop eight strategic cases on behalf of victims of discriminatory torture and ill-treatment. In the context of this work, the Trust intervened in *Machina v Moldova*, before the European Court of Human Rights (ECtHR) in relation to which the court sought and received further written submissions from the Trust, and acted as co-counsel for NGO Promo-LEX, which took *Cretu v Moldova* to the Committee on the Elimination of Discrimination Against Women on behalf of a deceased victim of domestic violence. Both decisions are pending.

In 2016, the Trust submitted a complaint, *Equal Rights Trust v Bulgaria* (121/2016) before the European Committee on Economic and Social Rights, to challenge provisions of Bulgaria's social security laws on the basis that they were discriminatory. While a decision is still pending, the Trust worked during the year to respond to the government's submissions in the case.

The Trust also established a strategic litigation programme in Serbia, through which we aim to work with 10 lawyers to develop and take cases to improve the implementation of the anti-discrimination law which the country enacted in 2009. These are likely to include cases which look at same-sex couples' legal recognition and damagingly discriminatory educational materials, among other issues.

Legal Services

The year saw the successful completion of the Trust's long-running access to justice project in Kenya, in which we worked in collaboration with the Federation of Women Lawyers and more than 30 community-based organisations throughout the country to establish community based legal assistance schemes for victims of gender discrimination. Working with its partners, the Trust designed and established the programme, provided training and technical guidance to community-based organisations and then provided grants for the establishment and management of the legal services. Through the project, the Trust and our partners were able to provide assistance to 4,115 women and girls victims of discrimination and violence. An independent evaluation found that in addition to this immediate impact, the project had raised awareness of the right to non-discrimination at the community level and was contributing to a reduction in the level of gender discrimination.

The Trust also supported the establishment and delivery of legal services to victims of discrimination in a number of other countries, including Egypt, Russia, and a number of countries which cannot be disclosed for security reasons. Together, these services provided legal assistance to hundreds of victims of discrimination.

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Technical and Strategic Support to Lawyers

We continued to build our programme of technical and strategic support to lawyers, both through ongoing support and mentoring to individual lawyers and through training events. In Moldova, for example, the Trust convened a one-day litigation training workshop for 25 lawyers in February aimed at broadening the cohort of lawyers in Moldova who have the capacity to conduct discrimination-focused litigation.

Supporting Equality Movements

Supporting equality movements is at the heart of the Equal Rights Trust's mission and purpose. We work with civil society organisations, lawyers, trade union representatives and others to provide them with the technical and practical skills they need to promote equality and combat discrimination, and to support the development of coalitions. Through this work, and through providing practical and financial support, particularly to those at risk, we aim to empower civil society and their allies to improve equality law and its implementation.

Training

Over the course of the year, the Trust's staff provided training to more than 230 civil society activists and lawyers, in order to build their capacity to combat discrimination through advocacy, litigation and documentation. Training was provided in nine different countries and ranged from a workshop examining the rights to equality and freedom of expression and the prohibition of hate speech in Kazakhstan to the improved implementation of anti-discrimination legislation in Georgia.

The Trust also continued to develop its "training of trainers" model, which is particularly valuable means of capacity building in countries in which the security of our beneficiaries prevents participation in training delivered by the Trust itself. Where the convening of large groups of human rights defenders would put those involved at risk, we have provided training to a small number of experienced human rights defenders in a secure location outside of the country, before providing support to those trained to train small groups of activists in their home country. Through this approach, we were able to reach a further 260 civil society activists in three different insecure environments over the course of the year.

This year also saw the Trust take the first steps in an ambitious new project to establish a multi-lingual online training platform for those working on equality and non-discrimination. Developed in the context of a major new multi-country documentation and advocacy project, we see the new platform as providing an opportunity to significantly increase the reach and impact of our training and capacity-building work.

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Grants to Equality Activists

In addition to technical training, we provided grants to equality defenders, both to enable them to undertake particular advocacy, legal service or documentation activities, and to support those at risk because of their work on behalf of victims of discrimination. For example, we provided grants and technical to organisations and individuals in six countries – many of them hostile and repressive states – to enable them to monitor and document cases and patterns of discrimination. In Yemen alone, our grantees documented more than 8,000 human rights abuses.

Our work in hostile and repressive states brings with it additional responsibilities towards activists and lawyers working to combat discrimination and promote equality, in particular those with whom we work. As such, in a number of the more dangerous environments in which we work, we have established funds to provide practical and financial support to those at risk, in order to improve their safety and security.

Research and Resources

We place a high value on research and its impact on advancing equality. Our research aims to enhance the discourse on the rights to equality and non-discrimination and to equip equality activists with the necessary tools to expose discrimination and hold state and non-state actors to account. In addition to undertaking research ourselves, through our partnerships, we provide practical, financial and technical support to civil society actors to document abuses.

Research on the rights to equality and non-discrimination

The year saw the Trust make significant progress in improving understanding of the intersection of the right to non-discrimination and other human rights. In March, we launched the report *Shouting Through the Walls*, an exploration of the phenomenon of discriminatory torture and ill-treatment. Despite its prevalence, prior to the publication of this report, the phenomenon had not received much attention from international human rights mechanisms. The report focuses in on two very different manifestations of discriminatory torture and ill-treatment – the “protective custody” of women perceived to be at risk of violence, and the detention and abuse of persons with mental disabilities – in a single country, Jordan. Using these two case studies, the report examines, for the first time, the various intersections between the rights to non-discrimination and to be free from torture and other forms of ill-treatment.

Throughout the year, we also undertook research towards the publication of a global report examining and analysing how both current and past patterns of discrimination lead to children of primary school age being out of school. This research project also aims to illustrate how equality law can and should be used to address the problem of out-of-school children. The resulting publication, *Learning InEquality*, was launched shortly after the end of the year, in November 2017.

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Research on patterns of discrimination and inequality

Alongside research on the intersection of the rights to equality and non-discrimination with other human rights, the Trust and our partners continued to work at the national level to document and expose discrimination and to analyse and assess equality law frameworks.

In early October, we launched the report, *Justice or Complicity? LGBT Rights and the Russian Courts*. The report represents the first detailed assessment of how the courts in Russia have responded in cases involving LGBT individuals, ranging from prosecution of hate crime to limitation of freedom of expression, from protection of family rights to prohibition of discrimination at work. An analysis of two decades of jurisprudence, the report finds that judicial practice is marred with inconsistencies. During the year, and since, the report has been used by a large number of practitioners working to support LGBT individuals facing injustice in Russia.

In December 2016, the Trust published a further three reports in its country report series. Reports in the series combine a comprehensive assessment of different patterns of discrimination and inequality in the state in question, together with an analysis of the legal framework on equality and non-discrimination. They provide an evidence base for advocates at the national level to promote legal reforms on equality. The Trust launched reports on discrimination and inequality in Kyrgyzstan, Kazakhstan and Uzbekistan to mark the 25th anniversary of these states' independence. Following four years of research, the reports provide unprecedented insights into discrimination on the basis of religion, ethnicity, political opinion, gender, sexual orientation, disability and other grounds in states where little has previously been reported on such issues.

In 2017, the Trust also completed and launched *Legacies of Division: Discrimination on the Basis of Religion and Ethnicity in Central Asia*, a publication incorporating three papers drawing on the findings of the Trust's research in four countries in the region – Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. The papers examine regional and transnational patterns of ethnic discrimination, looking in particular at how the history of the region has informed these patterns.

Supporting the documentation of discrimination

Throughout the year, the Trust provided technical, practical and financial support to equality defenders in a number of different countries to document patterns of discrimination and inequality. This support consisted of the provision of training, guidance documents, templates and information, and grants to enable organisations and individuals to undertake research in line with international standards and concepts of equality and non-discrimination. Much of this work took place in environments in which human rights defenders and other civil society representatives face significant risks, and as such, no details can be provided in this report.

Grant-making

The Trust makes significant use of grant-making in the delivery of our programmes of work and the achievement of our charitable purposes. In our country-specific projects, we make grants to our in-country partners in order to provide them with the funds required to implement activities and cover related operating costs. These partnerships are a central feature of the Trust's country-specific work, ensuring that our work is relevant, effective and sustainable.

In addition, the Trust uses sub-granting schemes, through which we provide financial, practical and technical support to civil society organisations in the countries in which we work. Sub-grants are made for the purposes of supporting research and documentation, the delivery of legal services and advocacy and awareness-raising activities. In addition to these schemes, in countries where human rights defenders are at risk because of their work to combat discrimination and promote equality, we provide safety and security grants to vulnerable individuals.

Internships, Fellowships and Volunteer Scheme

The Trust maintains a fully-funded internship scheme, through which we provide a minimum of two funded legal research internships each year. Interns are selected through a competitive process, and those selected to join the scheme are offered a needs-based grant to cover their cost of living. Internships are between three and nine months in duration, and are designed as an educational and development opportunity, for those seeking to build a career in the human rights sector. While meeting their desired learning outcomes, our interns provide research support across all of our four programmes and also support our fundraising work. In addition to the internship scheme, the Trust has a number of fellowships, which differ from the internships in that they focus on providing support to one or more of our major projects. Fellows also benefit from a grant.

Alongside our internship and fellowship programmes, the Trust maintains an Equality Volunteers Network, through which those interested in providing practical support to our work can contribute. Members of the volunteer network are engaged on an as-needed basis, with requests to undertake specific research or communications tasks. Over the course of the year, members of the network undertook research on patterns of discrimination and the legal framework on equality in countries ranging from Azerbaijan to Zambia. Members of the network also provided fact-checking and proofreading support for a number of our publications, and a number of individuals contributed to the impact assessment component of our strategic review.

In recent years, the Trust has increased its engagement with law firms and chambers within the United Kingdom, who have provided *pro bono* support to our work, ranging from assisting with briefs for strategic litigation cases and undertaking legal research to more practical support in respect of governance and organisational management. For example, in 2016-17, a solicitor assisted us with the renegotiation of the lease for our office on a *pro bono* basis. We also had *pro bono* support from barristers in providing written submissions in cases before the European

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Committee on Social Rights and the Committee for the Elimination of Discrimination Against Women, and from a law firm for our *Learning InEquality* project, on discrimination in access to primary education. During the year 2016–17, the Trust was also very fortunate to benefit from the support of a financial consultant, who provided his services on a *pro bono* basis and, in particular, looked into enhancing the Trust's financial management systems.

It is not currently possible for the trustees to attribute an economic value to the contribution made by our interns, fellows, volunteers and *pro bono* partners, but the contribution which these individuals make to the Trust's work is significant and highly valued by both trustees and staff.

Plans for the future

Over the course of the year, the Trust's Co-Directors have led a strategic review process, in preparation for the launch of a new five-year strategy for the Trust. The strategic review, which took place between February and September, had three components: (a) an impact assessment, looking at the outcomes and impacts of the Trust's work over the decade since it was established, by reference to quantitative and qualitative indicators; (b) a consultation exercise, in which the Trust engaged with stakeholders in our work – partners, donors, peers, experts and the targets of our advocacy and litigation activities – about the relevance, effectiveness and impact of our work; (c) a forward-looking assessment of opportunities and threats for the organisation and its mission.

The conclusions of this exercise were that there is both need and demand for an organisation, such as the Equal Rights Trust, which combines thought leadership in the field of equality law with the provision of practical, technical and strategic support to those seeking to improve equality law at the national level. The Co-Directors are currently working with the trustees to finalise the five-year strategy, which is expected to be launched in the first quarter of 2018. The new strategy will set out the Trust's goals, together with outcomes and indicators for each goal. It will outline how the Trust will develop and adapt activities within its existing four programmes in order to maximise effectiveness and impact, in partnership with those whom the organisation exists to serve. Finally, it will clarify how the Trust will seek and secure the funding required to fulfil its mission.

Principal risks and uncertainties

During the course of the year, the staff developed a revised and improved organisational risk register, as part of an ongoing programme of work to identify and manage risks. The top risks which the organisation faces remain as follows:

(1) Funding

The organisation remains highly dependent on restricted grant funding, tied to the implementation of specific projects. A significant proportion of this funding is from the European

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Union which, while maintaining a welcome focus on combating discrimination, and thus being closely aligned to the Trust's mission and objectives, imposes significant restrictions and conditions on the recognition of expenditure. While the trustees are satisfied with the level of the Trust's reserve, given the scale and complexity of the organisation's operations, this remains an area of concern. In order to mitigate against the financial risks which the organisation faces, efforts have been made to reduce operating costs and improve efficiency, and to improve internal controls to minimise the risk of financial loss, with the result that the reserve has marginally increased. Having reduced costs and improved controls, a plan for diversifying sources of funding and increasing the amount of unrestricted funding, has been developed in order to reduce the financial risks facing the organisation.

(2) Safety and security of staff, partners and beneficiaries

The Trust continues to work in a number of hazardous environments, where conflict, instability or repressive regimes pose a risk to the safety and security of human rights defenders. To counter these risks, the Trust has invested significant staff time to improve its safety and security risk assessment procedures, and to develop and implement standard operating protocols. In the longer term, the Trust's new five-year strategy will see an increased focus on work in countries where the Trust and its partners can make a tangible impact on law and policy, which in turn will reduce the number of high-risk countries in which the organisation is working.

(3) Restrictions on civil society activity

The Trust is a civil society organisation which works to support and empower other civil society organisations to improve protection from discrimination and promote equality through law. Almost all of the Trust's work is delivered in partnership with civil society organisations. As such, the increasingly restricted environment for civil society activity in many parts of the world poses a significant and growing risk to the organisation's work. At their most severe, restrictions on civil society activity can prevent the successful implementation of projects – as in our project in Azerbaijan – while in many other countries, operating in light of restrictions imposes significant additional burdens on staff time, increasing the costs of achieving our objectives. The Trust is continuing to monitor the environment in the countries in which we work, and to innovate with our partners to find new ways to operate in light of new restrictions. In the long term, as noted, a planned shift in focus may mean a reduction in the number of countries with highly restrictive environments in which the Trust is working.

Financial review

The financial results for the year which ended on 30 September 2017 are set out in the Statement of Financial Activities on page 25. The Trust's financial position at the end of the year is set out on page 42.

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Income

In this set of accounts, the Trust has revised the presentation of its income, in line with advice received from our auditors, appointed for the financial year 2016–17. The Charities' Statement of Recommended Practice states that income should be recognised only where the conditions of entitlement, probability and measurement can be met. In prior years, the Trust's interpretation of these criteria was that restricted income received under grant contracts which had not yet been expended should not be treated as income in that year, but should instead be held in deferred income, as a liability. We are advised that this was an incorrect interpretation of the income recognition criteria, and that the income recognition criteria are met when restricted funds were received by the Trust, regardless of whether the funds had been expended. Therefore, as discussed in note 25, an adjustment to move funds from deferred income to restricted income has been made in the two years prior to this years' accounts.

The Trust's total income in the year (£1,490,522) was significantly higher than in the previous financial year (2016: £876,368). This reflects the cyclical nature of the Trust's restricted grant funds, which means that the Trust receives significant sums of income in advance of the delivery of project activities. It does not reflect a significant change in the Trust's underlying financial position, which has remained stable. As in the previous financial year, the vast majority of the Trust's income in the financial year was secured from grant contracts from institutional donors such as the European Union and others. There was a modest increase in the Trust's unrestricted income.

At the close of the financial year, the Trust held total charity funds of £955,718 (2016: £1,025,137). Of these funds, the vast majority – £895,313 (2016: 970,616) – was restricted income carried forward, representing funds which the Trust received for the implementation of grant-funded projects which have not yet been expended.

Expenditure

Total expenditure in the year (£1,559,941) was significantly up (36% increase) on the previous financial year (2016: £1,143,900), reflecting an increase in the pace of project implementation during the year. Expenditure was distributed across our four areas of charitable activity as follows: Advocacy – 16%; Litigation and Legal Services – 14%; Movement Building – 38%; Research and Resources – 32%. This is broadly consistent with the distribution in previous financial years and reflects the fact that some of our charitable activities – notably training and grants for field research – require greater financial resources than others.

The difference between income and expenditure in the year (net movement of –£69,419) reflects the fact that the Trust receives a significant proportion of its restricted funding in advance of project implementation, and so expenditure will exceed income in cases where restricted income carried forward is being applied. The net increase in unrestricted income in the year indicates that the Trust managed its resource prudently, with all expenditure during the year matched to either restricted or unrestricted income.

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For the year ended 30 September 2017

Reserves

At the end of the financial year the organisation held total funds of £955,718 (2016: £1,025,137). Of this amount, 94% (£895,313) was restricted income carried forward. The Trust's unrestricted funds at the end of the year were £60,405 and free reserves (i.e. general funds less designated fund for fixed assets) at year end were £53,335. This represents an increase of 4% (£5,884) on the previous financial year, where the free reserves stood at £51,115.

Based on the needs of the organisation and the risks to which it is exposed, the Board has a targeted level of unrestricted reserves of £108,759, which is equivalent to three months operational costs. Nevertheless, the Board is of the opinion that this level of reserves, while falling below its target, is sufficient to meet the business needs at the present time.

The trustees are reassured by measures taken by the Co-Directors to reduce the organisation's operating costs and thus ensure that the Trust has secured the income required to cover these costs for the financial year 2017-18, and ongoing improvements to internal processes and controls in order to minimise the risk of financial loss in the context of the Trust's projects.

Financial Position

The Board is of the opinion that the Trust remains a going concern. As a grant-funded organisation which depends on restricted grant funding for a large part of its income, the Trust begins each financial year without having secured all of the income required to cover its operational costs in the year. In the second half of 2017, the Co-Directors undertook a restructure of the organisation, designed to improve efficiency. As was anticipated, this resulted in a reduction in cost. Through the resulting reduction in operating costs, and continued fundraising activity, the Trust begins the financial year 2017-18 in a stronger position than in previous financial years, while the forecast for the financial year 2018-19 is in line with that for previous years.

The Trust has an ambitious but realistic plan to diversify funding for the organisation over the coming year, and in so doing to secure greater unrestricted funding. The Board will continue to monitor progress against this plan closely, while reviewing financial forecasts, and will ensure that the Co-Directors take the necessary steps to reduce costs, should this become necessary.

Structure, governance and management

The Equal Rights Trust is a charitable company limited by guarantee, incorporated on 9 September 2005 and registered as a charity on 15 March 2006. The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association. The Trust is based and administered in the United Kingdom.

The Equal Rights Trust

Trustees' annual report

For the year ended 30 September 2017

Board of Trustees

The Trust is governed by a Board of Trustees who are also Directors of the company. The Board meets four times each year to: provide strategic guidance; review and provide guidance on the Trust's programmes and projects; review and advise on the management of risks; review the assets and financial position of the Trust; and adopt plans of action and budgets.

The Board is currently composed of 13 trustees, following the departure of a number of trustees reaching the end of their term, and the appointment of 4 new trustees during the year. The current trustees are listed on page 1 of this report.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the accounts.

Staff

The trustees delegate day to day management of the organisation to its two Co-Directors, James (Jim) Fitzgerald and Joanna Whiteman. The trustees take advice from the Co-Directors in respect of the Trust's programmes and projects, risks, financial position and budget, and action plans.

The Co-Directors lead a team of six staff, in two teams: Programmes and Operations. The Programmes team consists of three Programmes Officers, who undertake the Trust's programmatic work and who are each responsible for the coordination of a number of projects. The Programmes team receives support from the Trust's interns and fellows, and works in close coordination with our partners. The Co-Directors combine their role as leaders and managers of the organisation with roles as joint Directors of the Programmes team's work. The Operations team consists of a Head of Operations, a Finance Manager and a Team Administrator. The Operations team has responsibility for the monitoring and management of the Trust's human and financial resources, and for compliance with the Trust's contractual and statutory obligations. The Head of Operations sits with the two Co-Directors on the organisation's Senior Management Team (SMT).

Decision-making

Decision-making within the Trust is set out in a Decision-making Protocol, agreed in 2016. This Protocol sets out the framework in which decisions regarding the strategy and operations of the Trust will be taken. It sets out who has the responsibility and authority to take different types of decisions (Board; Co-Directors jointly; Senior Management Team (SMT); Individual Co-Director; or designated staff members); what factors should be taken into account when decisions are made; and who should be consulted and / or informed about decisions. The protocol deals with decision making in nine areas - strategy, finance, policy and positioning, programmes and projects, personnel, communications, fundraising, contractual, and risk management.

The Equal Rights Trust

Trustees' annual report

For the year ended 30 September 2017

The fundamental principles which underpin this protocol are:

- (1) That all decision-making should be accountable, transparent and consultative;
- (2) That strategic decisions should be taken at the level of the Board, while operational decisions should be taken at the level of the staff;
- (3) That decisions should be taken at the lowest possible level in the hierarchy, while respecting the need for accountability.

The Trust has no subsidiaries and is not part of a wider network or umbrella group. As noted however, the Trust implements all of its country-based work in formal partnership with at least one non-governmental organisation based in the relevant country.

Appointment of trustees

In accordance with the memorandum and articles of association there shall be at least three trustees. The first trustees were subscribers to the memorandum. Other trustees are appointed by resolution of the trustees through simple majority vote.

Starting in 2017, all trustee vacancies are advertised publicly. Applications are considered by a selection committee made up of three serving trustees, which recommends a shortlist to the Board. Decisions on appointments are made by the full Board, in accordance with the articles of association. Through this process, four new trustees were appointed during the year, replacing trustees whose positions had been vacated as a result of retirement or expiry of the three-term limit.

All trustees serve for an initial term ending at the third trustees' annual meeting after the year in which they were appointed. All trustees may serve for two additional terms of up to three years. No trustee may serve for more than nine consecutive years, unless the trustees consider that it would be in the best interests of the organisation for a trustee to serve beyond that period, and the trustee is then reappointed in line with the articles.

Trustee induction and training

Trustees are inducted through introductory meetings with either the Chair or Vice Chair, followed by a meeting with the Co-Directors, before participation in their first Board meeting. The Trust does not have the capacity to provide any formal training for Trustees.

Related parties and relationships with other organisations

During the year, the Trust received grants from two entities in which trustees had an official role: the King Baudouin Foundation (grant of £18,442), of which Luc Tayart de Boums is Chief Executive; and the Matrix Causes Fund (grant of £5,000), maintained by Matrix Chambers, where

The Equal Rights Trust

Trustees' annual report

For the year ended 30 September 2017

Helen Mountfield is a member of chambers. In addition, the Trust received small donations from individual related parties, amounting to £1,000 in aggregate.

The Trust has no subsidiaries, and is not part of a wider network. However, as outlined above, the Trust implements all of its country-based work in formal partnership with at least one non-governmental organisation based in the relevant country. These partnerships are a central element of the Trust's approach to its work, ensuring the relevance and suitability of our projects and ensuring efficiency and effectiveness in implementation. Our partnerships are bi-lateral relationships, in which the parties are equal. Each partnership is regulated by a partnership agreement setting out the respective rights and obligations of each partner. Within this legal framework, the Trust and its partners seek to develop a fully cooperative, mutually beneficial relationship, in which the organisations act as genuine partners in the implementation of projects which both parties consider are relevant to the achievement of our objectives.

Remuneration policy for key management personnel

The pay of the Trust's two Co-Directors is set by the Board of Trustees, as represented by the Chair and Vice Chair. The Co-Directors set the pay for the Head of Operations, the other member of the Senior Management Team, and all other members of staff. Staff pay bands are set with regards to salaries for similar positions in similarly situated organisations. Pay for all staff is reviewed at annual performance reviews.

Funds held as custodian trustee on behalf of others

The Trust does not hold any funds as custodian trustee on behalf of others.

Statement of responsibilities of the trustees

The trustees (who are also directors of The Equal Rights Trust for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements

The Equal Rights Trust

Trustees' annual report

For the year ended 30 September 2017

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

In 2016, following a review of its needs, the Trust tendered for the appointment of a new audit firm. Following a competitive process, Sayer Vincent LLP was appointed as the charitable company's auditor for the preparation of the year end accounts and has expressed its willingness to act in that capacity.

The trustees' annual report has been approved by the trustees on 11 May 2018 and signed on their behalf by

Name:

Title:

Independent auditor's report

To the members of

The Equal Rights Trust

Opinion

We have audited the financial statements of Equal Rights Trust (the 'charitable company') for the year ended 30 September 2017 which comprise the statement of financial activities, balance sheet, 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 charitable company's affairs as at 30 September 2017 and of its 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
- 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 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 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 other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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

Independent auditor's report

To the members of

The Equal Rights Trust

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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters 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 trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out 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.

Independent auditor's report

To the members of

The Equal Rights Trust

In preparing the financial statements, the trustees are responsible for assessing the 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 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

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.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions

Independent auditor's report

To the members of

The Equal Rights Trust

are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Noelia Serrano (Senior statutory auditor)

11 May 2018

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

The Equal Rights Trust

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 30 September 2017

| | Note | Unrestricted £ | Restricted £ | 2017 Total £ | 2016 Total Restated £ |
|--|------|-------------------|------------------|--------------------|--------------------------------|
| Income from: | | | | | |
| Donations and legacies | 3 | 31,674 | - | 31,674 | 71,803 |
| Grant funding for specific charitable activities | 4 | | | | |
| Advocacy | | 2,766 | 251,497 | 254,263 | 145,311 |
| Litigation & Legal Services | | 2,767 | 215,809 | 218,576 | 135,677 |
| Movement Building | | 922 | 470,062 | 470,984 | 292,935 |
| Research and Resources | | 922 | 514,091 | 515,013 | 230,618 |
| Investments | | 12 | - | 12 | 24 |
| Total income | | 39,063 | 1,451,459 | 1,490,522 | 876,368 |
| Expenditure on: | | | | | |
| Raising funds | 5 | 21,514 | - | 21,514 | 76,782 |
| Charitable activities | 5 | | | | |
| Advocacy | | 2,030 | 239,800 | 241,830 | 181,988 |
| Litigation & Legal Services | | 1,749 | 212,924 | 214,673 | 165,423 |
| Movement Building | | 3,768 | 586,675 | 590,443 | 396,993 |
| Research and Resources | | 4,118 | 487,363 | 491,481 | 322,713 |
| Total expenditure | | 33,179 | 1,526,762 | 1,559,941 | 1,143,900 |
| Net income for the year and net movement in funds | 7 | 5,884 | (75,303) | (69,419) | (267,532) |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 54,521 | 970,616 | 1,025,137 | 1,292,669 |
| Total funds carried forward | | 60,405 | 895,313 | 955,718 | 1,025,137 |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17a to the financial statements.

The Equal Rights Trust

Balance sheet

Company no. 05559173

As at 30 September 2017

| | Note | £ | 2017 Total £ | £ | 2016 Total Restated £ |
|--|------|------------------|------------------------------|------------------|--------------------------------|
| Fixed assets: | | | | | |
| Tangible assets | 12 | | <u>7,070</u> | | <u>3,405</u> |
| | | | 7,070 | | 3,405 |
| Current assets: | | | | | |
| Debtors | 13 | 553,940 | | 375,822 | |
| Cash at bank and in hand | | <u>532,162</u> | | <u>792,750</u> | |
| | | 1,086,102 | | 1,168,572 | |
| Liabilities: | | | | | |
| Creditors: amounts falling due within one year | 14 | <u>(137,454)</u> | | <u>(146,841)</u> | |
| Net current assets | | | <u>948,648</u> | | <u>1,021,731</u> |
| Total net assets | | | <u><u>955,718</u></u> | | <u><u>1,025,136</u></u> |
| The funds of the charity: | | | | | |
| Restricted income funds | 17a | | 895,313 | | 970,616 |
| Unrestricted income funds: | | | | | |
| Designated funds | | 7,070 | | 23,106 | |
| General funds | | <u>53,335</u> | | <u>31,415</u> | |
| Total unrestricted funds | | | <u>60,405</u> | | <u>54,521</u> |
| Total charity funds | | | <u><u>955,718</u></u> | | <u><u>1,025,137</u></u> |

These accounts have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime.

Approved by the trustees on 11 May 2018 and signed on their behalf by

Name:

Title:

The Equal Rights Trust

Statement of cash flows

For the year ended 30 September 2017

| | Note | £ | 2017 £ | £ | 2016 £ |
|---|------|---------|----------------|---------|----------------|
| Cash flows from operating activities | 18 | | | | |
| Net cash used in operating activities | | | (255,168) | | (462,486) |
| Cash flows from investing activities: | | | | | |
| Dividends, interest and rents from investments | | 12 | | 24 | |
| Purchase of fixed assets | | (5,432) | | (1,067) | |
| Net cash used in investing activities | | | (5,420) | | (1,043) |
| Change in cash and cash equivalents in the year | | | (260,588) | | (463,529) |
| Cash and cash equivalents at the beginning of the year | | | 792,750 | | 1,256,279 |
| Cash and cash equivalents at the end of the year | 19 | | <u>532,162</u> | | <u>792,750</u> |

1 Accounting policies

a) Statutory information

The Equal Rights Trust is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is 314–320 Gray's Inn Road, London WC1X 8DP.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1 Accounting policies (continued)

g) Interest receivable

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.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

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. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering litigation services, conducting research, and costs of staff and partner time and travel in conducting advocacy and movement building activities, undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

| | |
|-------------------------------|-------|
| ● Advocacy | 17.4% |
| ● Litigation & Legal Services | 15.0% |
| ● Movement Building | 32.3% |
| ● Research & Resources | 35.3% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

1 Accounting policies (continued)

l) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Computer Equipment 5 years
- Office Equipments 5 years

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

Prepayments are valued at the amount prepaid net of any trade discounts due.

o) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

r) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

s) Pensions

The charity operates a contributory pension scheme. It is a defined contribution scheme and contributions are charged in the statement of financial activities as they accrue. The charge for the year was £28,122. There were 6 scheme members at 30 September 2017. An amount of £5,040 of contributions was owed to the scheme as of that date.

The Equal Rights Trust

Notes to the financial statements

For the year ended 30 September 2017

2 Detailed comparatives for the statement of financial activities

| | Unrestricted £ | Restricted £ | 2016 Total Restated £ |
|---|-------------------|------------------|--------------------------------|
| Income from: | | | |
| Donations and legacies | 71,803 | – | 71,803 |
| Charitable activities | – | 804,541 | 804,541 |
| Other trading activities | – | – | – |
| Investments | 24 | – | 24 |
| Total income | 71,827 | 804,541 | 876,368 |
| Expenditure on: | | | |
| Raising funds | 20,350 | 56,432 | 76,782 |
| Charitable activities | 48,372 | 1,018,746 | 1,067,118 |
| Total expenditure | 68,722 | 1,075,178 | 1,143,900 |
| Net income / expenditure and net movement in funds | 3,105 | (270,637) | (267,532) |
| Net movement in funds | | | |
| Total funds brought forward | 51,416 | 1,241,253 | 1,292,669 |
| Total funds carried forward | 54,521 | 970,616 | 1,025,137 |

3 Income from donations and legacies

| | Unrestricted £ | Restricted £ | 2017 Total £ | 2016 Total £ |
|------------------------------|-------------------|-----------------|--------------------|--------------------|
| Stripe | – | – | – | 3,073 |
| Publishers Licensing society | – | – | – | 3,469 |
| Ashurst LLP | – | – | – | 2,500 |
| Doughty street chambers | – | – | – | 5,000 |
| King Baudouin Foundation | 11,065 | – | 11,065 | 48,372 |
| University of Sussex | 8,000 | – | 8,000 | 3,800 |
| Prism the Gift Fund | 5,000 | – | 5,000 | – |
| Other | 7,609 | – | 7,609 | 5,589 |
| | 31,674 | – | 31,674 | 71,803 |

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Notes to the financial statements

For the year ended 30 September 2017

4 Income from charitable activities

| | Unrestricted £ | Restricted £ | 2017 Total £ | 2016 Total £ |
|--|-------------------|-----------------|--------------------|--------------------|
| Advocacy Activities | | | | |
| Multi-country "GSP+" Advocacy & Monitoring Project – EIDHR | – | 125,960 | 125,960 | – |
| Central Asia – EIDHR | – | 55,421 | 55,421 | 7,530 |
| Jordan – EIDHR | – | 20,047 | 20,047 | 10,893 |
| Kazakhstan – EIDHR | – | 16,393 | 16,393 | – |
| Rohingya (2) – EIDHR | – | 8,052 | 8,052 | 91,830 |
| Other Grants | 2,766 | 25,624 | 28,390 | 35,059 |
| Sub-total for Advocacy Activities | 2,766 | 251,497 | 254,263 | 145,311 |
| Litigation & Legal Services Activities | | | | |
| Undisclosed Project 1 | – | 65,395 | 65,395 | – |
| Yemen – EIDHR | – | 28,190 | 28,190 | (439) |
| Russia – UK FCO | – | 25,033 | 25,033 | 9,754 |
| Serbia (2) – EIDHR | – | 17,966 | 17,966 | – |
| Egypt – EIDHR | – | 16,379 | 16,379 | – |
| Undisclosed Project 3 | – | – | – | 52,389 |
| Allen & Overy | – | – | – | 25,000 |
| Other Grants | 2,767 | 62,846 | 65,613 | 48,974 |
| Sub-total for Litigation & Legal Services Activities | 2,767 | 215,809 | 218,576 | 135,677 |
| Movement Building Activities | | | | |
| Multi-country "GSP+" Advocacy & Monitoring Project – EIDHR | – | 188,939 | 188,939 | – |
| Yemen – FCO | – | 68,289 | 68,289 | 1,279 |
| Undisclosed Project 2 | – | 59,039 | 59,039 | 19,978 |
| Yemen – EIDHR | – | 33,828 | 33,828 | (1,758) |
| Undisclosed Project 1 | – | 32,697 | 32,697 | – |
| Rohingya (2) – EIDHR | – | 1,150 | 1,150 | 78,711 |
| Undisclosed Project 3 | – | – | – | 117,874 |
| Other Grants | 922 | 86,120 | 87,042 | 76,850 |
| Sub-total for Movement Building Activities | 922 | 470,062 | 470,984 | 292,935 |
| Research & Resources Activities | | | | |
| Multi-country "GSP+" Advocacy & Monitoring Project – EIDHR | – | 104,966 | 104,966 | – |
| Undisclosed Project 1 | – | 98,092 | 98,092 | – |
| Yemen – EIDHR | – | 50,742 | 50,742 | (2,197) |
| Serbia (2) – EIDHR | – | 49,406 | 49,406 | – |
| Central Asia – EIDHR | – | 44,337 | 44,337 | 20,707 |
| Access to Education Project – Open Society Foundation | – | 39,378 | 39,378 | – |
| Rohingya (2) – EIDHR | – | 1,150 | 1,150 | 78,711 |
| Undisclosed Project 3 | – | – | – | 78,583 |
| Other Grants | 922 | 126,020 | 126,942 | 54,813 |
| Sub-total for Research & Resources Activities | 922 | 514,091 | 515,013 | 230,618 |
| Total income from charitable activities | 7,377 | 1,451,459 | 1,458,836 | 804,541 |

Undisclosed projects are not disclosed due to the sensitivity of these projects.

The Equal Rights Trust

Notes to the financial statements

For the year ended 30 September 2017

5 Analysis of expenditure

| | Charitable activities | | | | | | | 2017 Total £ | 2016 Total Restated £ |
|--|-----------------------|----------------|--|---------------------------|-----------------------------------|--------------------------|-----------------------|--------------------|--------------------------------|
| | Raising funds £ | Advocacy £ | Litigation & Legal Services £ | Movement Building £ | Research and Resources £ | Governance costs £ | Support costs £ | | |
| Staff costs (Note 8) | 12,457 | 59,761 | 51,372 | 110,700 | 121,045 | 11,265 | 3,622 | 370,222 | 476,227 |
| Rent, rates, utilities & insurance | - | - | - | - | - | - | 49,309 | 49,309 | 48,099 |
| Office supplies, maintenance, IT Costs | 2,725 | - | - | - | - | - | 20,092 | 22,817 | 18,753 |
| Partners' expenses | 72 | 36,230 | 32,829 | 100,130 | 76,372 | - | - | 245,633 | 110,798 |
| Sub-grants | - | - | 41,169 | 82,338 | 41,169 | - | - | 164,676 | 27,084 |
| Workshops, forums & roundtables | - | 17,780 | 17,780 | 109,353 | - | - | - | 144,913 | 100,651 |
| Research & publications | - | - | - | - | 96,182 | - | - | 96,182 | 113,543 |
| Project travel | - | 12,353 | - | 93,500 | - | 40 | - | 105,893 | 106,875 |
| Project consultants | - | 76,467 | - | 28,675 | 86,025 | - | - | 191,167 | 172,899 |
| Litigation fees and costs | - | - | 40,937 | - | - | - | - | 40,937 | 17,493 |
| Audit and accounting fees | - | 5,544 | 5,024 | 15,323 | 11,688 | 22,260 | - | 59,839 | 11,073 |
| Bank charges | - | - | - | - | - | 7,185 | - | 7,185 | 6,372 |
| Depreciation | - | 261 | 236 | 721 | 550 | - | - | 1,768 | 1,583 |
| Intern stipend/volunteer expenses | - | 9,255 | 4,289 | - | 9,030 | - | - | 22,574 | 24,611 |
| Forex movement | - | (8,649) | (8,649) | (8,649) | (8,649) | - | - | (34,596) | (103,392) |
| Other costs | - | 14,043 | 13,537 | 23,555 | 20,019 | 43 | 225 | 71,422 | 11,231 |
| | 15,254 | 223,045 | 198,524 | 555,646 | 453,431 | 40,793 | 73,248 | 1,559,941 | 1,143,900 |
| Support costs | - | 12,767 | 10,975 | 23,648 | 25,859 | - | (73,248) | - | - |
| Governance costs | 6,260 | 6,019 | 5,174 | 11,149 | 12,191 | (40,793) | - | - | - |
| Total expenditure 2017 | 21,514 | 241,830 | 214,673 | 590,443 | 491,481 | - | - | 1,559,941 | 1,143,900 |
| Total expenditure 2016 | 76,782 | 181,988 | 165,423 | 396,993 | 322,713 | - | - | - | 1,143,900 |

Of the total expenditure, £33,179 was unrestricted (2016: £68,722) and £1,526,762 was restricted (2016: £1,075,178)

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Notes to the financial statements

For the year ended 30 September 2017

| 6 Grant making | Grants to institutions £ | Grants to individuals £ | Support costs £ | 2017 £ | 2016 £ |
|------------------------|--------------------------------|-------------------------------|-----------------------|-----------------------|---------------|
| Cost | | | | | |
| Undisclosed grant 3 | 45,060 | - | - | 45,060 | 8,495 |
| Undisclosed grant 4 | 113,830 | - | - | 113,830 | 8,726 |
| Serbia Grant | 5,787 | - | - | 5,787 | - |
| EU-Moldova 2 | - | - | - | - | 7,484 |
| Other | - | - | - | - | 2,380 |
| At the end of the year | <u>164,677</u> | <u>-</u> | <u>-</u> | <u>164,677</u> | <u>27,084</u> |

As part of our grant contracts, we work with partner organisations to implement our charitable activities across the world. To enable them to deliver this work, the Equal Rights Trust makes grants within the framework of a partnership agreement.

Undisclosed grants are not disclosed due to the sensitivity of these grants.

7 Net expenditure for the year

This is stated after charging / (crediting):

| | 2017 £ | 2016 £ |
|---|-----------------|------------------|
| Depreciation | 1,768 | 1,583 |
| Pension costs | 28,122 | 17,650 |
| Operating lease rentals: | | |
| Property | 44,295 | 44,295 |
| Auditor's remuneration (excluding VAT): | | |
| Audit | 6,500 | 5,000 |
| Other services | - | 6,073 |
| Foreign exchange gains or losses | <u>(34,597)</u> | <u>(103,392)</u> |

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Notes to the financial statements

For the year ended 30 September 2017

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

| | 2017 £ | 2016 Restated £ |
|---|----------------|-----------------------|
| Salaries and wages | 309,893 | 362,157 |
| Redundancy and termination costs | - | 60,224 |
| Social security costs | 32,208 | 32,177 |
| Employer's contribution to defined contribution pension schemes | 28,121 | 17,650 |
| Other forms of employee benefits | - | 4,019 |
| | <u>370,222</u> | <u>476,227</u> |

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

| | 2017 No. | 2016 No. |
|-------------------|-------------|-------------|
| £60,000 – £69,999 | - | 1 |

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £125,407 (2016: £70,106). This is due to the fact there are now 2 management positions rather than 1.

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2016: £nil). No charity trustee received payment for professional or other services supplied to the charity (2016: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £290 (2016: £1,134) incurred by 1 member relating to attendance at meetings of the trustees.

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 9 (2016: 10).

Staff are split across the activities of the charitable company as follows (full time equivalent basis):

| | 2017 No. | 2016 No. |
|-------------------------------|-------------|-------------|
| Charitable activities | 7.0 | 8.0 |
| Management and administration | 2.0 | 2.0 |
| | <u>9.0</u> | <u>10.0</u> |

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10 Related party transactions

The Trust received grants from two entities in which trustees had an official role: the King Baudouin Foundation made a grant of £18,442 (2016: £48,372), of which Luc Tayart de Boums is Chief Executive; and the Matrix Causes Fund (grant of £5,000), maintained by Matrix Chambers, where Helen Mountfield is a member.

Aggregate donations from related parties were £1,000 (2016: £0), which comprise donations from members of the board and senior management.

11 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

12 Tangible fixed assets

| | Office equipment £ | Computer equipment £ | Total £ |
|--------------------------|--------------------------|----------------------------|------------|
| Cost or valuation | | | |
| At the start of the year | 2,710 | 25,916 | 28,626 |
| Additions in year | 1,617 | 3,815 | 5,432 |
| Disposals in year | - | - | - |
| At the end of the year | 4,327 | 29,731 | 34,058 |
| Depreciation | | | |
| At the start of the year | 2,241 | 22,980 | 25,221 |
| Charge for the year | 417 | 1,350 | 1,767 |
| Eliminated on disposal | - | - | - |
| At the end of the year | 2,658 | 24,330 | 26,988 |
| Net book value | | | |
| At the end of the year | 1,669 | 5,401 | 7,070 |
| At the start of the year | 469 | 2,936 | 3,405 |

All of the above assets are used for charitable purposes.

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For the year ended 30 September 2017

13 Debtors

| | 2017 £ | 2016 Restated £ |
|----------------|----------------|-----------------------|
| Other debtors | 152,261 | 144,433 |
| Prepayments | 586 | 1,400 |
| Accrued income | 401,093 | 229,989 |
| | <u>553,940</u> | <u>375,822</u> |

All of the charity's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in note 14 below.

14 Creditors: amounts falling due within one year

| | 2017 £ | 2016 Restated £ |
|------------------------------|----------------|-----------------------|
| Trade creditors | 67,493 | 63,212 |
| Taxation and social security | 8,685 | 8,283 |
| Other creditors | 26,368 | 61,961 |
| Accruals | 34,908 | 13,385 |
| | <u>137,454</u> | <u>146,841</u> |

15 Pension scheme

The charity operates a contributory pension scheme. It is a defined contribution scheme and contributions are charged in the statement of financial activities as they accrue. The charge for the year was £28,122. There were 6 scheme members at end of September 2017. £5,040 of contributions was owed to the scheme as of that date.

16a Analysis of net assets between funds (current year)

| | General unrestricted £ | Designated £ | Restricted £ | Total funds £ |
|--|------------------------------|-----------------|-----------------|---------------------|
| Tangible fixed assets | - | 7,070 | - | 7,070 |
| Net current assets | 53,335 | - | 895,313 | 948,648 |
| Net assets at 30 September 2017 | <u>53,335</u> | <u>7,070</u> | <u>895,313</u> | <u>955,718</u> |

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Notes to the financial statements

For the year ended 30 September 2017

16b Analysis of net assets between funds (prior year)

| | General unrestricted £ | Designated £ | Restricted £ | Total funds £ |
|--|------------------------------|-----------------|-----------------|---------------------|
| Tangible fixed assets | – | 3,406 | – | 3,406 |
| Net current assets | 31,415 | 19,700 | 970,616 | 1,021,731 |
| Net assets at 30 September 2016 | 31,415 | 23,106 | 970,616 | 1,025,137 |

17a Movements in funds (current year)

| | At 1 October 2016 £ | Income & gains £ | Expenditure & losses £ | Transfers £ | At 30 September 2017 £ |
|---|---------------------------|------------------------|------------------------------|-----------------|---------------------------------|
| Restricted funds: | | | | | |
| Undisclosed Project 1 | 168,552 | 217,983 | (130,374) | – | 256,161 |
| Multi-country "GSP+" Advocacy & Monitoring Project – EIDHR | – | 419,865 | (175,641) | – | 244,224 |
| Undisclosed Project 3 | 388,745 | – | (236,789) | – | 151,956 |
| Yemen – EIDHR | 186,704 | 112,759 | (161,260) | – | 138,203 |
| Serbia (2) – EIDHR | – | 89,829 | (28,865) | – | 60,964 |
| Egypt – EIDHR | 44,410 | 65,518 | (109,928) | – | – |
| Kazakhstan – EIDHR | 15,775 | 54,643 | (70,417) | – | – |
| Rohingya (2) – EIDHR | 85,136 | 11,502 | (96,638) | – | – |
| Central Asia – EIDHR | – | 110,843 | (110,843) | – | – |
| Undisclosed Project 2 | – | 98,398 | (98,398) | – | – |
| Other projects | 81,294 | 270,119 | (307,609) | – | 43,804 |
| Total restricted funds | 970,616 | 1,451,459 | (1,526,762) | – | 895,313 |
| Unrestricted funds: | | | | | |
| Designated funds: | | | | | |
| Tangible Fixed Assets | 3,406 | – | – | 3,664 | 7,070 |
| Staff Redundancy Reserve | 19,700 | – | – | (19,700) | – |
| Total designated funds | 23,106 | – | – | (16,036) | 7,070 |
| General funds | 31,415 | 39,063 | (33,179) | 16,036 | 53,335 |
| Total unrestricted funds | 54,521 | 39,063 | (33,179) | – | 60,405 |
| Total funds | 1,025,137 | 1,490,522 | (1,559,941) | – | 955,718 |

The narrative to explain the purpose of each fund is given at the foot of the note below.

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For the year ended 30 September 2017

17b Movements in funds (prior year)

| | At 1 October 2015 £ | Income & gains £ | Expenditure & losses £ | Transfers £ | At 30 September 2016 £ |
|---|---------------------------|------------------------|------------------------------|-----------------|---------------------------------|
| Restricted funds: | | | | | |
| Undisclosed Project 3 | 256,473 | 261,943 | (129,671) | - | 388,745 |
| Yemen – EIDHR | 318,070 | (4,395) | (126,972) | - | 186,704 |
| Undisclosed Project 1 | 274,179 | - | (105,628) | - | 168,552 |
| Rohingya (2) – EIDHR | - | 262,371 | (177,234) | - | 85,137 |
| Egypt – EIDHR | 56,654 | 1,882 | (14,126) | - | 44,410 |
| Kenya – Access to Justice Project – Comic Relief | 68,119 | 1,200 | (52,419) | - | 16,900 |
| Kazakhstan – EIDHR | 72,378 | - | (56,603) | - | 15,775 |
| Central Asia – EIDHR | 48,941 | 37,650 | (86,591) | - | - |
| Sudan – Freedom of Expression Project – SIDA | 87,835 | 40,073 | (127,908) | - | - |
| Other Projects | 58,604 | 203,817 | (198,027) | - | 64,394 |
| Total restricted funds | 1,241,253 | 804,541 | (1,075,178) | - | 970,616 |
| Unrestricted funds: | | | | | |
| Designated funds: | | | | | |
| Tangible Fixed Assets | 3,923 | - | - | (517) | 3,406 |
| Staff Redundancy Reserve | 30,000 | - | - | (10,300) | 19,700 |
| Total designated funds | 33,923 | - | - | (10,817) | 23,106 |
| General funds | 17,493 | 71,827 | (68,722) | 10,817 | 31,415 |
| Total unrestricted funds | 51,416 | 71,827 | (68,722) | - | 54,521 |
| Total funds | 1,292,669 | 876,368 | (1,143,900) | - | 1,025,137 |

Purposes of restricted funds

General Restricted Funds

The restricted funds are for various programmes that the Equal Rights Trust is commissioned to perform throughout the world.

Undisclosed project 1 is a grant contract worth approximately £349k over 42 months, and is due to finish in June 2018.

The Multi-Country "GSP" project is funded by the European Commission's EIDHR fund. It is a grant contract worth approximately £1,366k over 36 months and is due to finish in November 2019.

Undisclosed Project 3 is a grant contract worth approximately £973k over 48 months and is due to finish in December 2018.

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General Restricted Funds (continued)

Yemen EIDHR is a project funded by the European Commission's EIDHR fund. It is a grant contract worth approximately £818k over 45 months and is due to finish in July 2018.

Serbia 2 is a grant contract funded by the European Commission's EIDHR fund. It is worth approximately £158k over 24 months and is due to finish in January 2019.

Each of these projects aims to promote Equal Rights through at least one of the core charitable activities of the Trust; Advocacy, Movement Building, Litigation & Legal Services, and Research. These projects together represent over 95% of the restricted fund held at 30 September 2017.

Egypt EIDHR is a project funded by the European Commission's EIDHR fund. It is a grant contract worth approximately £269k over 36 months and is due to finish in December 2018.

Kazakhstan EIDHR is a project funded by the European Commission's EIDHR fund. It is a grant contract worth approximately £275k over 39 months and is due to finish in June 2018.

Rohingya EIDHR was a project funded by the European Commission's EIDHR fund. It was a grant contract worth approximately £765k and finished in December 2016.

Central Asia EIDHR was a project funded by the European Commission's EIDHR fund. It was a grant contract worth approximately £875k over 48 months and finished in November 2016.

Undisclosed Project 2 is a grant contract worth approximately £489k over 36 months and is due to finish in April 2019.

Purposes of designated funds

Staff Redundancy Reserve – The Reserve was maintained to cover the costs of any Redundancies. A transfer of £10,300 made in the previous financial year was to reduce the Reserve size in line with potential future costs. We now believe there is no basis to maintain this designated fund and as such have transferred the remaining amount into general reserves.

Tangible Fixed Assets – This represents the value of tangible fixed assets as of 30th September 2017. This fund will cover depreciation charges for the lifetime of all assets held.

18 Reconciliation of net expenditure to net cash flow from operating activities

| | 2017 | 2016 |
|--|------------------|------------------|
| | £ | £ |
| Net expenditure for the reporting period (as per the statement of financial activities) | (69,419) | (267,532) |
| Depreciation charges | 1,768 | 1,583 |
| Dividends, interest and rent from investments | (12) | (24) |
| Increase in debtors | (178,118) | (184,286) |
| Decrease in creditors | (9,387) | (12,227) |
| Net cash provided by / (used in) operating activities | (255,168) | (462,486) |

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19 Analysis of cash and cash equivalents

| | At 1 October 2016 £ | Cash flows £ | Other changes £ | At 30 September 2017 £ |
|--|---------------------------|------------------|-----------------------|---------------------------------|
| Cash at bank and in hand | 792,750 | (260,588) | – | 532,162 |
| Overdraft facility repayable on demand | – | – | – | – |
| Total cash and cash equivalents | 792,750 | (260,588) | – | 532,162 |

20 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

| | Property 2017 £ | 2016 £ |
|--------------------|-----------------------|---------------|
| Less than one year | 11,074 | 11,074 |
| One to five years | – | – |
| Over five years | – | – |
| | 11,074 | 11,074 |

21 Capital commitments

At the balance sheet date, the charity had committed to £0 (2016: £0) in respect of Capital costs.

22 Contingent assets or liabilities

The Trust has recognised income under two grants from the European Commission's European Instrument for Democracy and Human Rights for the implementation of two separate projects which the Trust considers may each contain a contingent liability. The European Commission has commissioned auditors to review the two projects in question, and they have reported findings of ineligible expenditure to the commission. Clawback of these funds is at the discretion of the European Commission and how it interprets both the finding of the auditors and the Trust's own position on the issues in question. The Trust disputes these findings and negotiation in respect of each audit is ongoing. Given the sums in question have frequently and substantially moved as the negotiations have progressed, the Trust is currently unable to take a reliable position on the estimate of the financial effect in each case. The Trust expects to receive clarification about the status of these contingent liabilities in 2017/18.

23 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

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24 Impact of prior year adjustments

In prior years, restricted income received under grant contracts which had not yet been spent was held in deferred income as a liability. This was an incorrect interpretation of the income recognition criteria as stated in the Charities SORP. The Equal Rights Trust appointed new auditors for the 2016–17 financial year, and they advised that the income recognition criteria were met when these restricted funds were received by the Trust as the Trust was entitled to the income regardless of whether the funds had been expended. Therefore, an adjustment to move funds from deferred income to restricted income has been made in the two years prior to this year's accounts. Furthermore, some items of income and expenditure were identified as being recognised in the wrong accounting period; these have also been corrected.

| Impact on Reserves position for the year ending 30 September 2015 | Unrestricted £ | Restricted £ | Total £ |
|---|-------------------|------------------|------------------|
| Total funds at 30 September 2015 as previously stated | 51,411 | – | 51,411 |
| Adjustment to deferred income | – | 1,241,253 | 1,241,253 |
| Adjustment to reserves | 5 | – | 5 |
| Total funds as at 30 September 2015 as restated | 51,416 | 1,241,253 | 1,292,669 |
| Impact on Reserves position for the year ending 30 September 2016 | | | |
| Total funds at 30 September 2016 as previously stated | 54,516 | – | 54,516 |
| Adjustment to deferred income | – | 970,616 | 970,616 |
| Adjustment to reserves | 5 | – | 5 |
| Total funds at 30 September 2016 as restated | 54,521 | 970,616 | 1,025,137 |
| Impact on income and expenditure for the year ending 30 September 2016 | Unrestricted £ | Restricted £ | Total £ |
| Income as previously reported | 74,251 | 1,327,367 | 1,401,618 |
| Adjustment to deferred income | – | (270,637) | (270,637) |
| Adjustment to period income recognised in | (2,424) | (252,189) | (254,613) |
| Income at 30 September 2016 as restated | 71,827 | 804,541 | 876,368 |
| Expenditure as previously reported | 71,146 | 1,327,367 | 1,398,513 |
| Adjustment to period expenditure recognised in | (2,424) | (252,189) | (254,613) |
| Expenditure at 30 September 2016 as restated | 68,722 | 1,075,178 | 1,143,900 |
| Net income as previously reported | 3,105 | – | 3,105 |
| Adjustment to deferred income | – | (270,637) | (270,637) |
| Net income as restated | 3,105 | (270,637) | (267,532) |