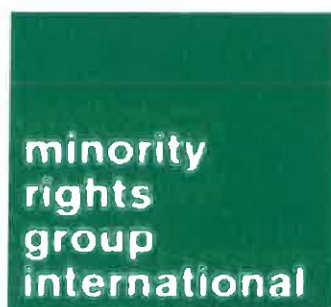


Company number: 01544957
Charity number: 282305



Minority Rights Group

Report and Financial Statements 31 December 2018

Minority Rights Group
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For the year ended 31 December 2018

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Minority Rights Group
Reference and administrative details
For the year ended 31 December 2018

Status

The organisation is a charitable company limited by guarantee, incorporated on 11th February 1981 and registered as a charity on 11th May 1981.

Governing document

The articles of association, amended on 14 October 2011, establish the objects and powers of the charitable company and how it is governed.

Summary of investment powers

The governing document gives Minority Rights Group power to invest funds not immediately required for the charity's purposes.

Company number	1544957	
Charity number	282305	
Registered office and operational address	54 Commercial Street London E1 6LT	
Honorary officers	Gay McDougall Bill Samuel Joshua Castellino	Chair Treasurer Secretary

Members of the Council

The Council of Management members who served during the year and up to the date of this report were as follows:

Tom Astor
Albert Barume
Arjan Buteijn (until March 2018) - Treasurer
Joshua Castellino (Resigned October 2018)
Joe Frans
Françoise Hampson
Mahdiz Keshavarz
Gay McDougall - Chair of the Council
Willy Mutunga (from April 2018)
Bill Samuel (from April 2018) - Treasurer
Meena Varma - Chair of the Finance & General Purposes Committee

Principal staff	Joshua Castellino Claire Thomas Carl Soderbergh Berihu Mohammed	Executive Director/ Company Secretary (Appointed Oct. 2018) Deputy Director Director of Policy & Communications Director of Finance, Administration & IT
Bankers	NatWest, 38 Strand, London, WC2H 5JB	
Solicitors	Bates Wells and Braithwaite, 10 Queen Street Place, London, EC4A 3DF	
Auditors	Kingston Smith LLP, Devonshire House, 60 Goswell Road, London, EC1M 7AD	

Minority Rights Group

Report of the Council for the year ended 31 December 2018

Realising Minority and Indigenous Rights Around the World

Our approach is to support the voices of minority and indigenous communities on the ground, working with them to gather evidence of persecution, discrimination and exclusion, building international support, and supporting them in bringing their cases to officials and decision-makers. Together we aim to make a difference to some of the most threatened and disadvantaged communities in the world. Our mission remains to secure the rights of minorities and indigenous peoples and to promote cooperation and understanding between communities.

Minority Rights Group's Strategy

2018 marked the second year in our four-year strategy [2017-2020], which focuses on the following objectives:

- 1) Countering religious and ethnic persecution, a root cause of forced migration and
- 2) Promoting inclusion of minorities and indigenous peoples in sustainable development and society

Highlights from 2018 include:

- MRG's influential advocacy at the UN, with multiple interventions at the UN Human Rights Council's summer (38th) and autumn (39th) sessions, and Claire Thomas' speech at a side-event during the 39th session for the Geneva launch of the UNFPA, Fact Sheet on Indigenous Women's Maternal Health, prepared by MRG and Health Poverty Action.
- Our recent report published jointly with Ceasefire on Iran was specifically cited by UN Secretary-General Antonio Guterres in his report to the General Assembly in September 2018.
- Yazidi woman activist, ISIS survivor and MRG beneficiary, Nadia Murad, was awarded the *Nobel Peace Prize* this year (along with Congolese gynaecological surgeon Denis Mukwege) for their efforts to end the use of sexual violence as a weapon of war and armed conflict.
- MRG was approached by ERRC to intervene in a European Court of Human Rights case called *Memedov v Macedonia* dealing with institutional discrimination against Roma.
- Media coverage has been positive throughout 2018, with MRG mentioned in approximately 880 media pieces. Highlights include the *Guardian* publication on Roma in Ukraine, the *Daily Mail* coverage on both slavery in Mauritania and the eviction of Maasai in Tanzania, as well as pieces in the *Washington Post* on slavery in Mauritania and anger consuming India.
- Our project fundraising had a successful 2018, and despite being in the throes of significant personnel change, has raised 136% of our annual target. Grants approved since the last Council Meeting include an EU proposal for the protection of Human Rights Defenders working on Land Rights in East Africa; DFID and EU funded work on FoRB in South Asia, and a proposal to Ireland Aid to carry on capacity building & legal empowerment work in East Africa.
- Two significant challenges have been crystallized in this period: (i) match-funding gaps on our Thailand & Irish Aid III projects (finished in 2018); (ii) the tense political environment in Hungary, especially the criminalization of assistance to refugees.

Strategy Objective One: Countering religious and ethnic persecution, a root cause of forced migration

During 2018, we have strengthened our work to address the persecution of religious minority communities in the Middle East and North Africa and South Asia and have supported activists and organisations based in Egypt, Iran, Iraq and Pakistan, amongst others, to monitor and gather information on human rights abuses against members of their community and to report on those nationally and internationally. This led to the publication of 8 reports in 2018 as well as important media coverage of the risks to peoples under threat worldwide. MRG supported individuals from all of these countries to attend international advocacy events and to call for accountability for continuing threats to the life, liberty and religious freedom of minorities.

Minority Rights Group

Report of the Council for the year ended 31 December 2018 (Continued)

Under our first strategic priority, supporting minorities facing persecution, a total of 92 activists (45% women) received tailored training on monitoring and countering persecution throughout our programmes. About 2/3 of trainees are civil society organisation (CSO) staff, activists and community members who gained skills, knowledge and strategies to monitor abuses and advocate for their rights. Activists come in particular from countries in the MENA region and from South and South-East Asia.

Our **Asia** regional network for minority and indigenous CSOs working on the issue of Freedom of Religion or Belief (FoRB) (The South Asia Collective) remains active with on-going advocacy including a joint submission on Sri Lanka to the UN Committee on Economic, Social and Cultural Rights and to the Universal Periodic Review process. 2018 has also seen some worrying developments in India, particularly in Assam, which we were able to react to and highlight (e.g. organising a speaker on the issue at the UN in November.) In the **MENA** region, we have continued to build on our efforts to create a network of religious minority activists offering support to activists from the region to engage in advocacy work on a number of issues including the violations of the rights of the Nubians in Egypt

Eight reports highlighting human rights violations, discrimination and displacement across our target regions were published. They include our annual flagship publication *Minority and Indigenous Trends*. The focus in 2018 was on Migration and Displacement. The annual Peoples Under Threats index/map was also published and is available here: <http://peoplesunderthreat.org>

Strategy Objective Two: Promoting inclusion of minorities and indigenous peoples in sustainable development and society

Training on achieving equality and inclusion were offered to activists under several of our projects including: Mauritania, Macedonia, East Africa, Ukraine, Tunisia and Botswana. A total of 193 activists were trained (52% women).

In **East Africa**, three emerging partners (from Uganda, DRC, Rwanda) were supported to implement small advocacy projects on issues including access to education, employment and health to benefit their communities. Furthermore, existing partners in Uganda, Kenya and DRC developed exciting proposals for accountability mechanisms, designed to enhance decision-makers' responsiveness to marginalized communities' needs. Bursary programs were also launched in order to help paralegal activists to put in practice their skills and knowledge on the ground.

National advocacy undertaken by MRG partners with our support included a series of representations on behalf of indigenous peoples in DRC and Rwanda, and for equal rights for non-Tswana tribes in Botswana. Shadow reports to UN bodies included amongst others a report to the Committee Against Torture on Mauritania and a report to the UPR on Macedonia. We also provided input to the Special Rapporteur on Minority Issues ahead of the visit made in Botswana.

We have been continuously following up our two recent major legal successes: the *Ogiek* case (Kenya, land rights) and the *Said & Yarg* case (Mauritania, slavery). **Kenya**: Following the historic judgement of the African Court in May 2017, follow up advocacy has been undertaken to guarantee the full implementation of the judgement, including in accordance with national legislation respecting communal property rights (2016 Community Land Act and the 2016 Forest & Conservation Management Act). In Mauritania, continued advocacy at both African regional and UN levels to seek an eradication of the practice of slavery was combined with training of those actors who can impact on slavery including lawyers, judges, activists and journalists. On-going legal work also continued on cases relating to Sukenya Farm (Tanzania, land rights), Kahuzi-Biega National Park (DRC, land rights) and feasibility studies for new legal work in Egypt, Botswana and Uganda.

Measuring success and impact

MRG's work is primarily focused on ensuring the implementation of human rights through public education, advocacy and empowerment, which are types of work widely recognised to be difficult to measure and evaluate. In particular, changes in attitude or behaviour are difficult to measure. Complex social change processes are hard to summarise in a very brief quantitative report. Nonetheless, MRG has persevered with finding ways and means of evaluating and reporting on its work and has a strong reputation among human rights organisations for evaluation and transparency of reporting. All of MRG's

Minority Rights Group

Report of the Council for the year ended 31 December 2018 (Continued)

major programmes are independently evaluated when they have been completed and all evaluations are available to read on our website (our work/past programmes and evaluations section).

Examples of impact from our activities in 2018

Establishing on-going dialogues with national authorities on the human rights of vulnerable communities is an important outcome of our work.

In *Ukraine*, we continued the implementation of 12 Community Action Groups (CAGs). These are community organizing initiatives, which operate around the role of Roma Mediators (de facto social workers, who act as intermediaries between Roma communities and public institutions). The CAG also includes local Roma NGOs, leaders and active citizens. It holds open surgeries with community members and agrees actions to address issues raised by Roma community members. Examples of issues raised and addressed through the CAGs include improved sewage or individual cases, related to lack of IDs. Relevant public officials are invited and participate in CAGs.

Our work to sensitize decision-makers on issues faced by the communities we work with, is sometimes accompanied by training offered to decision-makers like it is the case in *Macedonia* where in 2018 30 local authorities staff were trained on minority rights.

Ensuring that the rights of the communities we work with are recognized and protected is also central to our work: as a result of advocacy campaign with our local Iraqi partner to defend the rights of the Sabaeans in Maysan governorate, a seat for Sabaeen-Mandean minority was granted at the local Governorate Council. Applicable in the coming governorate election, this will mean that the community will have a voice at the local level and opportunities to raise issues of concerns and demand for changes.

Minority Rights Group's Structure, governance and management

MRG is a charitable company limited by guarantee and its governing document is its articles of association. Now in our fiftieth year, Minority Rights Group International continues to operate with an international governing Council that meets twice a year and has members from eight different countries. MRG has consultative status with the United Nations Economic and Social Council (ECOSOC) and observer status with the African Commission for Human and Peoples' Rights.

MRG's Council is chaired by Gay McDougall. Membership of the Council is broadly balanced and includes members from different world regions and members of minority communities. Because of MRG's broad constituency and global remit, Council members do not represent any one particular community but rather ensure that MRG addresses minority rights needs and issues globally. Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2018 was 9. Members of the Council are members of the charity but this entitles them only to voting rights.

MRG Chair Gay McDougall

Gay McDougall served as the first United Nations Independent Expert on Minority Issues from 2005 through 2011. She was Executive Director of the international NGO Global Rights from 1994 through 2006. From 1997- 2001 she served as an Independent Expert on the UN treaty body that oversees compliance with the International Convention on the Elimination of All Forms of Racial Discrimination, during which time she negotiated the adoption of General Recommendation XXV on the Gender Dimensions of Racial Discrimination, which requires governments to report explicitly on the situation of women impacted by racial discrimination. She played a leadership role in the UN Third World Conference against Racism. Her academic credentials including sitting as the Mulligan Distinguished Visiting Professor in International Law at Fordham Law School (2013); the Robert Drinan Visiting Professor in Human Rights at the Georgetown University Law Center in Washington, D.C. (2011-2012); Distinguished Scholar in Residence at the American University Washington College of Law (2006-2008); and Professor in the annual Academy on Human Rights and Humanitarian Law at the American University (2010 and 2012). Gay has an Honorary Degree from the University of London and is currently Vice-chair of CERD Committee.

Minority Rights Group

Report of the Council for the year ended 31 December 2018 (Continued)

One third of Council members retire in rotation each year (but can be re-elected). Council members serve a maximum of 6 consecutive years (or 8 in the case of officers). As Council members step down, new Council members are identified who have particular skills, or who could bring relevant experience and expertise to the charity. New Council members are encouraged to visit MRG's offices for briefings with staff as part of the induction process. They are provided with relevant documents and access to information about the governance and the work of the charity.

The Council decides the organisational budget, approves the accounts, appoints the auditors and sets the strategic direction for MRG. They also monitor and ensure correct control measures are in place for major risks. The Council has established a sub-committee (the Finance and General Purposes Committee) which usually meets three times each year to ensure proper oversight of MRG's financial processes and procedures. The sub-committee also considers personnel, risk management and property issues.

Day to day management of the Charity is carried out by a Management Team of 8 senior staff led by the Executive Director who reports to the Council.

In order to be closer to its local partners, MRG is supported by two regional offices: Minority Rights Group Africa (Uganda) and Minority Rights Group Europe (Hungary). Another MRG entity was established in Belgium during 2018.

We also have a number of staff based in the countries where we run programs, such as Thailand or in strategic locations such as Geneva and cooperate with a number of like-minded charities to share information and achieve common goals.

MRG adheres to the Charity Commission's public benefit guidance by making MRG International Council and Trustees aware of their duties. Our entire operation is subject to review and challenge to ensure the public benefit aspects of our charitable objectives.

The Council of Management present their report and the audited financial statements for the year ended 31 December 2018. 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 (FRS 102).

Reviewing risks to the charity 2018

The Council and the Finance and General Purposes Committee regularly assess the risks to which the organisation is exposed. Over 20 different risk areas are assessed for likelihood and impact. Detailed information and mitigation measures are discussed and confirmed in place. The reduction of space for civil society organisations and the growth in impunity of state actions is a clear signal of the risk climate that MRG operates within. The highest risks to MRG continue to be the risk to staff and assets when travelling in countries affected by insecurity or conflict or political risks to projects in country (e.g. harassment or interference by authorities). The organisation has taken steps to assess each risk, seek active measures to mitigate these, and verify both the substantive factors and our assessment of each risk.

Specific risk factors identified during the period include:

1- Continuing security threats in a number of project countries where conflict is ongoing, as well as growing threats to civil space: In the MENA region, virtually all countries fall into one of the following categories of civic space situation: close down, repression or obstruction. Appropriate action will be taken where necessary to safeguard staff, projects and partners following MRG's existing Security Policy.

2- "Brexit": As an organisation headquartered in the UK, with the EU institutions constituting an important source of funding, we had started planning ahead of the current scenario where the UK is on course to leave the European Union. To complement our longstanding and successful office in Hungary, a new entity has been established in Belgium.

3- Safeguarding: MRG has reviewed and refreshed its Dignity at Work and Recruitment Procedures. We also introduced a Safeguarding policy and procedure, and a complaints procedure which is accessible via our website.

Minority Rights Group

Report of the Council for the year ended 31 December 2018 (Continued)

Plans for future periods

The next two years of our current strategic period will see us carrying on responding to the needs of minority and indigenous communities worldwide. We are exploring the possibility of developing work in countries where until recently civil society's work was extremely limited such as Zimbabwe and Ethiopia. We are expecting our work on Freedom of Religion and Belief to remain an important part of our programmatic work. The issue of intersectional discrimination is also growing within our programmes as we increasingly work with communities facing multiple forms of discrimination including ethnicity but also disability or sexual orientation.

Acknowledgements

MRG remains very grateful to all the partners who have worked with us in 2018, many of whom are working in difficult security environments. We are also grateful to the decision makers, whether at the local, national or international level, who have listened to minority viewpoints and concerns and taken points on board; to all those who have reported news – whether in print, broadcast or on the internet – and, last, but of course, not least, all those donors – individuals and institutions – who have provided financial support, without which none of this important work could have taken place.

MRG benefitted from the support of over 25 temporary interns who supported the work of the organisation through donating skills and time during 2018. This donated work time was very valuable to the organisation and is much appreciated.

Financial review

During the year under review, Minority Rights Group's income rose from £2.75m in 2017 to £2.89m – an increase of 5.1% or £140K. Total expenditure too rose from £2.39 m to £2.65 m – an increase of £260K or 10.9%. Never the less, MRG recorded a surplus of £236K or 8.2% of total income for the year. This net surplus is made up of a deficit of £82K in restricted and a surplus of just under £318K in our unrestricted financial activities. A substantial proportion of unrestricted funds have been used to support and subsidise a variety of our restricted grant-funded projects. This subsidy amounted to £139K during 2018 (£273K, 2017).

MRG is very grateful for the financial support that we received from a wide variety of funders and stakeholders during the year – Blanes Trust, Sylvia Adams, The Ericson Charitable Trust, The Lee Foundation, and The T.H. Brunner Charitable Trust, The Swedish International Development Cooperation Agency and the Norwegian Ministry of Foreign Affairs, to name but a few. These grants and donations provide a valuable contribution to our finances and above all they are an indispensable source of financial support to our diverse and global projects and activities.

This is the third year that the charity has prepared its financial statements under FRS 102. The last financial statements prepared under previous UK GAAP were for the year ended 31 December 2015 and the date of transition to FRS 102 was 1 January 2015. A reconciliation of amounts presented under previous UK GAAP was carried out in 2016 together with an explanation in accounting policies on transition. The most important effect of the new accounting regulations is they require MRG to make a significant contingent liability provision relating to pension deficit reported on previously. This provision was backdated to 2014 and its cumulative value as at 31 December 2018 was £95K, down from 117K (2017); 129K (2016); and £133K (2015).

Reserves policy

In order to ensure continuity of operations in case of temporary loss of funding; to finance/subsidise projects and/or cover project match-funding shortfalls; to pay for essential core management, overhead and support costs; and to provide an adequate buffer against the effect of temporary cash flow difficulties, MRG aims to set aside a level of unrestricted reserves sufficient for a period of at least 6 months. These costs are estimated at £472K or roughly 18% of total expenditure per annum. MRG currently has £286K – approx. 7 months' cover – in general reserves.

Minority Rights Group

Report of the Council for the year ended 31 December 2018 (Continued)

Investment policy and performance

For the level of investment and surplus funds available to the charity, it aims to secure the maximum return possible for minimal risk and a suitable degree of liquidity. Pursuant to these objectives, the charity's surplus funds were invested in two high-rated, unit-based funds to limit risk and provide good liquidity, and all the income from investments were reinvested. The market value of the charity's investment portfolio at 31 December 2018 stood at just £239,934.

Endowment Fund to Mark our 50th Anniversary

During 2018, MRG investigated the possibility of establishing an endowment or capital fund which would be formally established in MRG's 50th year. If sufficient contributions are received, it is hoped that this will enable MRG to buy a building, which in turn will reduce on-going overhead costs.

Grant making policy

Funds are provided to partners for joint activities including events, research, publications, national and international advocacy, translations, and other activities within our mandate and charitable objects. The disbursement of these funds is governed by contracts that specify the work to be carried out by the partner, their reporting requirements, deadlines for completion of work, and the disbursement schedule for tranches of funds. MRG also occasionally provides small capital grants for partners for IT equipment as a component of some of its programmes. For these grants, partners must provide a motivation for the use of the equipment, and copies of purchase invoices to verify that funds have been utilised for the intended purpose.

Statement of responsibilities of the Council of Management

The Council (who are also directors of Minority Rights Group for the purposes of company law) are responsible for preparing the Council's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) applicable in that period. In preparing these financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statement
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The 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 Council is aware: there is no relevant audit information of which the charitable company's auditors are unaware; and the Council has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Council is 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.

Minority Rights Group

Report of the Council for the year ended 31 December 2018 (Continued)

Remuneration Policy

The governing principles of the Charity's remuneration policy are as follows:

- To ensure delivery of the Charity's objectives
- To attract and retain a motivated workforce with the skills and expertise necessary for organisational effectiveness
- That remuneration should be equitable and coherent across the organisation
- To take account of the purposes, aims and values of the Charity

To ensure that pay levels and pay increases are appropriate in the context of the interests of our beneficiaries.

Senior Executive Remuneration

In relation to deciding remuneration for the Charity's senior executives, the Charity considers the potential impact of remuneration levels and structures of senior executives on the wider Charity workforce and will take account of the following additional principles:

- To ensure that the Charity can access the types of skills, experiences and competencies that it needs in its senior staff operating in an international environment, the specific scope of these roles in the Charity and the link to pay
- The nature of the wider employment offer made to senior employees, where pay is one part of a package that includes personal development, personal fulfilment and association with the public benefit delivered. The Charity recognises that it is, on occasion, possible to attract senior executives at a discount to rates in the public or private sectors.

In line with the recommendations of the NCVO Inquiry into Executive Remuneration published in April 2014, the Charity has decided to disclose the remuneration of all staff who earned more than £50,000 per annum (pro rata). This is currently the Executive Director and the Deputy Director as all other staff earned below £50,000 per annum.

Remuneration for the year ended 31 December 2018 comprised salary and pension contributions. There are no other pecuniary benefits for senior or other staff at the Charity.



Meena Varma
Vice-chair and Chair of Finance & General Purposes Committee



Joshua Castellino
Executive Director/
Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF MINORITY RIGHTS GROUP

Opinion

We have audited the financial statements of Minority Rights Group (the 'company') for the year ended 31 December 2018 which comprise of the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2018 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of 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 group's and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF MINORITY RIGHTS GROUP (Continued)

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; and
- the trustees' annual report have 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 group and parent 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 where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF MINORITY RIGHTS GROUP (Continued)

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 purposes of expressing an opinion on the effectiveness of the group and parent charitable company'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 group and parent charitable company'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 are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

Neil Finlayson

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Date 31/5/2019

Devonshire House
60 Goswell Road
London, EC1M 7AD

Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Minority Rights Group (Limited by guarantee)
Group and Charity Statement of Financial Activities*
(Including Income and Expenditure Accounts)

For year ended 31 December 2018

		2018			2017	
		Restrict	Un -	Total Restricted	Restated Un -	Total
	Note	d	restricted		restricted	
		£	£	£	£	£
Income from:						
Donations and legacies	2	-	1,079,563	1,079,563	786,599	786,599
Investment income		-	8,743	8,743	7,576	7,576
Transfer between		-	-	-	-	-
Advocacy & Projects		1,749,808	-	1,749,808	1,906,737	1,906,737
Policy and publications		-	2,244	2,244	5,642	5,642
Other		-	47,815	47,815	42,237	42,237
Total	15/2	1,749,808	1,138,365	2,888,173	1,906,737	842,054
Expenditure on:						
Raising funds	3	-	105,779	105,779	-	135,372
Advocacy & Projects	3	1,831,200	545,940	2,377,140	1,733,332	338,715
Policy and publications	3	-	168,828	168,828	-	183,480
Total	15/3	1,831,200	820,547	2,651,747	1,733,332	657,567
Net income/(Expenditure)		(81,392)	317,818	236,426	173,405	184,487
Unrealised gain on investments	8	-	(32,825)	(32,825)	-	20,369
Unrealised gain on foreign exchange transactions		(9,658)	38,752	29,094	21,027	-
Transfer between funds		138,819	(138,819)		273,239	(273,239)
Net movement in funds		47,769	184,927	232,696	467,671	(68,383)
Reconciliation of funds:						
Funds at the start of the year		682,435	100,803	783,238	214,764	169,186
Funds at the end of the year	15	730,204	285,730	1,015,934	682,435	100,803

* being a consolidation of the UK charity and the charity in Hungary, in line with FRS 102.

All 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 15 to the Financial Statements.

Company number. 1544957

Charity number: 282305

Minority Rights Group (Limited by guarantee)
Group Balance Sheet

As at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible fixed assets	7	7,917	7,570
Investments	8	239,934	264,016
		247,851	271,586
Current assets			
Debtors	9	192,781	268,997
Cash at bank and in hand		954,841	462,176
		1,147,622	731,173
Creditors: amounts due within 1 year	10a	(284,462)	(102,520)
Net current assets		863,160	628,652
Pension provision	10b	(95,077)	(117,000)
Net assets	11	1,015,934	783,238
Funds	15		
Restricted funds			
In surplus		730,204	682,435
Unrestricted funds			
Pension provision		(95,077)	(117,000)
Reserves		380,807	217,803
Total funds		1,015,934	783,238

The notes form part of the financial statements.

The financial statements were approved by the Council on 14 May 2019, and signed on their behalf by:



 Meena Varma
 Vice-chair and Chair of Finance & General Purposes
 Committee



 Joshua Castellino
 Executive Director/Secretary

Company number. 1544957

Charity number: 282305


Minority Rights Group (Limited by guarantee)
Charity Balance Sheet

As at 31 December 2018

	Note	£	2018 £	2017 £
Fixed assets				
Tangible fixed assets	7		6,674	7,232
Investments	8		<u>239,934</u>	<u>264,016</u>
			246,608	271,248
Current assets				
Debtors	9	121,587	287,037	
Cash at bank and in hand		<u>612,398</u>	<u>147,890</u>	
		733,985	434,927	
Creditors: amounts due within 1 year	10a	<u>(252,372)</u>	<u>(94,815)</u>	
Net current assets			<u>481,613</u>	<u>340,112</u>
Pension provision	10b		<u>(95,077)</u>	<u>(117,000)</u>
Net assets	11		<u>633,144</u>	<u>494,360</u>
Funds	15			
Restricted funds				
In surplus			442,491	415,358
Unrestricted funds				
Pension provision			(95,077)	(117,000)
Reserves			<u>285,730</u>	<u>196,002</u>
Total funds			<u>633,144</u>	<u>494,360</u>

The notes form part of the financial statements.

The financial statements were approved by the Council on 14 May 2019, and signed on their behalf by:



 Meena Varma
 Vice-chair and Chair of Finance & General Purposes
 Committee



 Joshua Castellino
 Executive Director /Secretary

Company number. 1544957

Charity number: 282305

Minority Rights Group (Limited by guarantee)
Group and Charity Cash Flow Statement

For year ended 31 December 2018

	2018	2017
	£	£
Net incoming (outgoing) resources	236,426	357,892
Interest received	(21)	(19)
Interest paid	58,037	14,564
Investment income	(8,743)	(7,576)
Depreciation charges	4,808	6,473
Decrease/ (increase) in debtors	82,464	177,347
(Decrease)/ increase in creditors	175,694	(281,245)
Net cash inflow/(outflow) from operating activities	548,666	267,436
Purchase of tangible fixed assets	(6,127)	(13,706)
Disposal of tangible fixed assets	(995)	(2,236)
Sale of investments	-	-
Interest received	21	19
Interest paid	(58,037)	(14,564)
Net currency exchange adjustments	9,138	25,501
Increase/(decrease) in cash in the period	492,665	262,450
Net cash in hand and at bank on 1 January 2018/2017	462,176	199,726
Net cash in hand and at bank at the end of the year	954,841	462,176
	31 December	31 December
Cash in hand and at bank	2017	2017
Cash in hand - GBP	724	3,410
Cash at bank - GBP	(296,606)	(316,929)
Cash in hand - foreign currencies (GBP equivalent)	8,667	6,281
Cash at bank - foreign currencies (GBP equivalent)	1,242,056	769,414
Net cash in hand and at bank	954,841	462,176

Foreign currency balances - the Euro, USD, Hungarian HUF and Ugandan Shillings - are converted into GBP at year-end rates of exchange as per standard practice.

Company number. 1544957
Charity number: 282305

Minority Rights Group (Limited by guarantee)
Notes to the financial statements
For the year ended 31 December 2018

Note

1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at market value, and in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (issued in January 2015). Due to the introduction of the FRS 102 SORP the Group financial statements consolidate the financial statements of the Charity and its subsidiary undertakings for the year. Minority Rights Group Europe (Hungary) is consolidated in these financial statements as a subsidiary. All financial statements are made up to 31 December 2018. All intra-group transactions, balances and unrealised gains on transactions between group entities are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used into line with those used by other members of the group. For the purpose of these accounts, Uganda is treated as a branch and Hungary as a subsidiary.
- b) All income is recognised when there is entitlement to the income, the receipt is probable and amount can be measured reliably. Intangible income is recognised where the service provider has incurred a financial cost. Volunteer time is not included in the financial statements.
- c) Grants are recognised in full in the statement of financial activities in the year when the income recognition criteria (as above) have been satisfied. Grants received in advance for a specific future accounting period are deferred only if any pre-conditions of entitlement to the grant have not been met.
- d) Income received from overseas is translated at the sterling amount on the day of receipt. Costs incurred overseas are translated into sterling at the average rate of exchange for the month. Foreign funds held are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange differences are taken into account in arriving at the net incoming resources.
- e) Interest and dividends are recognised when receivable.
- f) Subscriptions are included in income in the year in which they fall due.
- g) Resources expended are recognised in the period once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is included in the Statement of Financial Activities on an accruals basis inclusive of any VAT which cannot be recovered.
- h) 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 basis of direct expenditure attributable to each activity.
- i) Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.
- j) Debtors and creditors receivable or payable within one year of the reporting date are carried at their at transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payments discounted at a market rate of interest.

1. Accounting policies (continued)

- k) Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due.
- l) Advocacy and Project support costs comprise costs incurred in supporting advocacy and project activities which are not covered by specific restricted fund grants.
Other support costs comprise costs incurred in running the charity, which cannot be directly allocated to the charity's projects or fundraising.
- m) The costs of raising funds relate to the costs incurred by the charitable company in raising funds for the charitable work.
- n) The charitable company operates a pension scheme on behalf of its employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no current liability under the scheme other than for the payment of those contributions although there is a contingent liability in respect of guarantees given by the pension fund trustee which is described more fully in note 15 to the financial statements.
- o) 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 together with a fair allocation of management and support costs.
- p) Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity.
- q) Designated funds are unrestricted funds earmarked by the Council of Management for particular purposes.
- r) Transfers are made from unrestricted and designated funds to restricted funds to cover shortfalls in project funding.
- s) Depreciation is calculated so as to write off the cost of fixed assets on a straight line basis over their estimated useful lives as follows:

Furniture and equipment - general	4 years
Furniture and equipment - projects	Depreciated in full in year of purchase
Fixtures, fittings, plant and machinery	duration of lease for office premises

Items of equipment are capitalised where the purchase price exceeds £250. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.
- t) Investments held as fixed assets are revalued at mid-market value at the balance sheet date. The gain or loss for the period is taken to the statement of financial activities.
- u) The trustees have assessed whether the use of going concern is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. In particular the trustees have considered the Charity's forecasts and projections and the pressure on core income and concluded that there is reasonable expectation that the charity has adequate resources to continue in operation for the foreseeable future.

Minority Rights Group (Limited by guarantee)
Notes to the financial statements (continued)
For the year ended 31 December 2018

2. Unrestricted income analysis	2018	2017
Core grants, donations and legacies	£	£
Blanes Trust	25,000	25,000
Sylvia Adams	1,000	-
Ericson Trust	4,000	2,500
Lee Foundation	5,000	-
Lucy Astor	-	50,000
Pilkington Trust	-	2,000
Swedish International Development Cooperation Agency*	606,299	459,253
T. H. Brunner Charitable Trust	1,000	1,000
Norwegian Ministry of Foreign Affairs**	420,485	208,302
The Rhododendron Trust***	1,000	-
Eva Reckitt	-	1,000
Other income and donations	15,779	37,544
Total	1,079,563	786,599

*This funding includes the first year of a two-year additional element which is to be used to scope out and build networks around the issue of people with disabilities within indigenous and minority communities.

**These funds were granted for a period extending to the early part of 2019. Therefore, we are continuing to spend the funds in the 2019 financial year.

*** This has been transferred to LG12 Mauritania Project.(see Note 15 transfers)

Minority Rights Group (Limited by guarantee)
Notes to the financial statements (continued)
For the year ended 31 December 2018

Note

3 Expenditure - Group and Charity

	Costs of raising funds	Advocacy & Projects	Policy & Publications	Support costs	Total 2018	Total 2017
	£	£	£	£	£	£
Staff Costs (note 5)	32,181	479,559	76,457	103,621	691,818	726,370
Regional offices and consultants	48,052	242,614	-	37,749	328,415	394,064
Volunteers	1,885	6,388	-	909	9,183	9,644
Staff Training & Development	-	6,348	4,763	741	11,852	10,089
Staff Travel and subsistence	2,351	103,369	289	80	106,088	80,224
Partners' Activities	-	932,944	10,887	-	943,832	678,682
Seminars, training and other events	115	57,825	15,106	-	73,046	84,158
Policy and information	-	-	27,986	-	27,986	19,757
Project audits	-	26,118	-	-	26,118	26,259
Bank charges and forex	141	13,539	288	-	13,968	14,683
Other Finance costs	360	8,310	586	633	9,889	17,281
IT expenses	1,530	33,350	1,879	4,668	41,427	39,510
Project equipment	-	2,658	-	-	2,658	162
Local office rents & other expenses	-	39,010	-	-	39,010	31,479
Professional Fees	-	3,327	-	-	3,327	200
Sub-total	86,615	1,955,359	138,242	148,402	2,328,617	2,132,562
Office Running costs	2,188	49,405	3,493	3,750	58,836	56,028
General audit and accounting fees	720	16,258	1,149	1,234	19,361	25,125
Premises costs	6,405	144,597	10,223	10,974	172,199	149,918
Recruitment	889	20,076	1,419	1,524	23,908	195
Depreciation charges (General)	80	1,805	128	137	2,150	6,581
Trustees' expenses and meetings	454	10,249	725	778	12,205	9,219
Other costs	1,282	18,826	2,046	12,316	34,471	11,272
Sub-total	12,019	261,215	19,183	30,713	323,130	258,338
Total	98,634	2,216,574	157,425	179,115	2,651,747	2,390,900
Support costs *	7,145	160,566	11,404	179,115	-	-
Total expenditure	105,779	2,377,140	168,828	-	2,651,747	2,390,900

* Support costs are apportioned to primary activities in proportion to the total direct and allocated expenses of such activities.

Minority Rights Group (Limited by guarantee)
Notes to the financial statements (continued)
For the year ended 31 December 2018

Note

4. Incoming/(outgoing) resources for the year - Group and Charity

This is stated after charging / crediting:

		2018	2017
		£	£
Depreciation		4,808	6,473
Council members' remuneration		-	-
Council members' expenses		12,205	9,219
Auditors' remuneration:		18,121	19,964
	Group and charity general audits		
	Other advice	1,240	5,161
	Donor (project) audits	26,118	25,874
Operating lease rentals:		119,491	112,700
	Property		
	Other	7,936	18,278

Council members' reimbursed expenses represent the reimbursement of travel and subsistence costs to 9 (2017: 9) members relating to attendance at meetings of the Council.

5. Staff costs and numbers

Staff costs were as follows:

	2018	2017
	£	£
Salaries and wages	902,062	607,240
Social security costs	74,683	73,049
Pension contributions	43,489	37,116
Other staff cost	-	8,965
	1,020,234	726,370

Salaries include those of 2 Key management personnel, the highest paid employees, who earned a total of £76,214 during the year (2017: £136,589). However, due to the resignation of the previous and appointment of a new Executive Director during the year, none earned above £60,000. In contrast, one employee earned between £70,001-£80,000 during 2017; employer pension contributions for that employee totalled in 2017 £7,838. The salary and on-costs of the other key staff was £130,903 (2017: £129,000)

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2018	2017
	No.	No.
Directors' office including fundraising	6	6
Administration and finance	4	4
Projects and project support including Regional Offices	25	16
	35	26

Operational and management staff time is assigned to activities on the basis of time actually worked. Support staff time is assigned to activities pro rata based on the numbers of employees (full-time equivalent) working on those activities. In addition, MRG also has a number of overseas based consultants on long term contracts.

6. Taxation

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

Minority Rights Group (Limited by guarantee)
Notes to the financial statements
For the year ended 31 December 2018

Note

7. Tangible fixed assets- Group and charity

	Group		Charity	
	Furniture & equipment	Furniture & equipment	Furniture & equipment	Furniture & equipment
	2018	2017	2018	2017
	£	£	£	£
Cost				
At the start of the year	35,776	173,449	24,726	161,250
Additions in the year	6,127	13,706	4,218	12,411
Disposal in the year	-	(148,893)	-	(148,935)
At the end of the year	41,903	38,262	28,944	24,726
Depreciation				
At the start of the year	28,183	170,877	17,462	160,678
Charge for the year	4,808	6,473	4,808	5,719
Disposal in the year	995	(146,657)	-	(148,935)
At the end of the year	33,986	30,693	22,270	17,462
Net book value				
At the end of the year	7,917	7,569	6,674	7,264
At the start of the year	7,569	2,572	7,264	2,572

8. Investments- group and Charity

	2018	2017
	£	£
Market value at the start of the year	264,016	236,073
Investment income reinvested	8,743	7,574
Net gains	(32,825)	20,369
Market value at the end of the year	239,934	264,016
Historic cost at the end of the year	90,301	90,301

9. Debtors

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	-	-	-	-
Outstanding with Partners	-	-	-	-
Regional Offices balances	3,921	1,021	64,390	19,061
Other debtors	62,436	18,063	59,553	18,063
Prepayments	61,935	46,866	61,935	46,866
VAT	-	(10)	-	(10)
Accrued income	64,490	203,056	64,490	203,056
	192,781	268,996	121,587	287,036

Minority Rights Group (Limited by guarantee)
Notes to the financial statements (continued)
For the year ended 31 December 2018

Note

10a. Creditors: amounts due within 1 year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	30,180	7,797	30,180	6,318
Taxation, social security & other payroll	16,289	15,212	16,289	13,064
Grants repayable	121,627	-	121,627	-
Other Creditors	35,144	18,498	6,248	18,498
Accruals and deferred income	81,222	61,013	78,028	56,934
	284,462	102,520	252,372	94,814

The charity entered into a multi-currency overdraft facility with its bankers, NatWest, of up to £120K in May 2012. This facility is secured by a debenture on its assets.

10b. Pension provision

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Pension liability	(95,077)	(117,000)	(95,077)	(117,000)
	(95,077)	(117,000)	(95,077)	(117,000)

11. Analysis of net assets between funds

	Restricted funds	General funds	Total Funds
	£	£	£
Group			
Tangible fixed assets	-	7,917	7,917
Fixed asset investments	-	239,934	239,934
Long term liabilities	-	(95,077)	(95,077)
Net current assets	730,204	132,956	863,160
Net assets at the end of the year	730,204	285,730	1,015,934

Analysis of net assets between funds

	Restricted funds	General funds	Total Funds
	£	£	£
Charity			
Tangible fixed assets	-	6,674	6,674
Fixed asset investments	-	239,934	239,934
Long term liabilities	-	(95,077)	(95,077)
Net current assets	442,491	39,122	481,613
Net assets at the end of the year	442,491	190,653	633,144

12. Operating lease commitments

The charity had commitments at the year end under operating leases as follows:

Property	2018	2017
	£	£
Under 1 year	125,000	114,583
2-5 years	-	-
Over 5 years	-	-
	125,000	114,583
Equipment	2018	2017
	£	£
Under 1 year	6,182	2,597
2-5 years	11,288	6,240
Over 5 years	-	390
	17,470	9,227

Minority Rights Group (Limited by guarantee)
Notes to the financial statements (continued)
For the year ended 31 December 2018

13 Foreign Exchange

Restricted fund balances held in foreign currencies at year end have been translated to UK Sterling at the exchange rate on 31 December 2018 in line with financial reporting standards.

However, these funds remain in foreign currency bank accounts. The EC, on the charity's funders, require conversions between currencies in particular ways stipulated in contract which may result in exchange differences between the GBP value of fund balances in Note 15 and the actual value when balances are spent or converted.

14. Pension scheme

Contributions paid into the Growth Plan up to and including September 2001 were converted to defined amounts of pension payable from normal retirement date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Growth Plan or by the purchase of an annuity.

The Trustee of the plan commissions an actuarial valuation every three years to determine the funding position of the plan by comparing the assets with the past services liabilities at the valuation date and the rules of the plan give the trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met.

The Scheme Actuary has prepared a funding position update as of September 2017. The market value of the plan's assets compared with the plans Technical Provisions (i.e past service liabilities) revealed a shortfall of £131.50 million (2017: a shortfall of £230.6 million), equivalent to a funding level of 85.8% (2017: 80.7%).

If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustees must prepare a recovery plan setting out the steps to be taken to make up a shortfall. The proposed recovery plan requires participating employers from 1 April 2018 to pay £14,483 per annum. Recovery plan payments from 1 April 2019 are £15,416 pa. These payments increase by 3% each 1 April.

Following changes in legislation in September 2005 and November 2011, there is a potential debt on the employer that could be levied by the plan's trustee. The debt is only due in the event of the employer ceasing to participate in the plan or the plan winding up. Minority Rights Group has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the plan based on the financial position of the plan as of 30 September 2016. Minority Rights Group would have been liable for an estimated share of the employer debt of £317,201 (2015: £272,022) if it had left the scheme in September 2016.

In the opinion of the Council of Management, as the charity intends to continue offering membership of the plan and as they are unaware of any intention for the plan to be wound up, the debt is likely to crystallise in the foreseeable future.

Minority Rights Group (Limited by guarantee)
Notes to the financial statements (continued)
For the year ended 31 December 2018
Note

15. Movement in funds

Restricted funds

	Start of the year	Incoming resources	Outgoing resources	Transfer	End of the year
	£	£	£	£	£
Africa and Middle East Region	213,477	667,074	(413,028)	44,373	511,896
Asia Pacific Region	56,056	107,971	(47,666)	27,718	144,078
Europe/CIS Region	11,601	292,727	(383,666)	-	(79,339)
Strategic Communications	267,078	225,000	(326,807)	-	165,271
Legal empowerment and strategic Litigation	26,164	314,435	(349,542)	12,568	3,625
Cultural programmes	(42,953)	(4,271)	(6,936)	54,160	-
Human Rights in Conflicts	141,356	146,872	(303,556)	(1)	(15,328)
	672,779	1,749,808	(1,831,201)	138,818	730,204
Unrealised foreign exchange differences	9,658	-	(9,658)	-	-
Total Restricted Funds	682,437	1,749,808	(1,840,859)	138,818	730,204
AFRICA AND MIDDLE EAST REGION					
Yemen: Enhancing the Political and Civil Rights of the					
YM1 Muhamasheen Community - Project Suspended	49,806	(88,713)	(5,466)	44,373	-
European Commission	49,806	(88,713)	(5,466)	44,373	-
Realising the Rights of Minorities and Indigenous Peoples in East &					
IR3 Central Africa ***	73,952	(6,220)	(67,731)	-	-
Irish Aid	73,952	(22,580)	(51,371)	-	-
Voice via OPD	-	5,360	(5,360)	-	-
Allan & Nesta Ferguson Charitable Trust	-	10,000	(10,000)	-	-
Garden Court Chambers	-	1,000	(1,000)	-	-
IR4 Achieving Rights for Minorities & Indigenous Peoples in Africa***	-	151,557	(53,459)	-	98,097
Irish Aid	-	151,557	(53,459)	-	98,097
Strengthening the Capacity of Civil Society Organisations, Human					
Rights Defenders & Media Houses to Challenge Discrimination	-	78,930	(38,508)	-	40,422
RW2 against Historically Marginalised Peoples in Rwanda	-	78,930	(38,508)	-	40,422
European Commission	-	78,930	(38,508)	-	40,422
Empowering Indigenous Land Rights Defenders to Prevent Climate					
LR1 Change	-	187,061	(9)	-	187,052
European Commission	-	187,061	(9)	-	187,052
Coalition for Religious Equality and Inclusive Development -					
CR1 Cocreation phase	-	12,526	(12,526)	-	-
DfID via Institute of Development Studies	-	12,526	(12,526)	-	-
Strengthening Human Rights Advocacy for Freedom of Religion					
DP2 and Belief in MENA **	30,250	139,739	(114,251)	-	55,738
Dutch Ministry of Foreign Affairs	30,250	139,739	(114,251)	-	55,738
Protecting & Promoting the Human Rights of Discriminated					
EG2 Minorities in Egypt **	59,469	78,748	(73,434)	-	64,783
European Commission	59,469	78,748	(73,434)	-	64,783
Consolidating the Capacities of Civil Society in Tunisia to Combat					
TU1 All Forms of Discrimination	-	113,448	(47,644)	-	65,804
European Commission	-	113,448	(47,644)	-	65,804
Sub Total Africa & Middle East Region	213,477	667,074	(413,028)	44,373	511,897
ASIA & PACIFIC REGION					
Empowering Thai CSOs representing Marginalised Communities in					
TH1 the Southern Border Provinces	17,159	(32,914)	(11,963)	27,718	-
European Commission	17,159	(32,914)	(11,963)	27,718	-
SA1 Supporting Religious Pluralism and Respect for FoRB in South Asia	-	137,000	(3,259)	-	133,741
European Commission	-	137,000	(3,259)	-	133,741
Promoting Tolerance through the Arts: Minority-Driven Theatre					
PK1 and Storytelling for Pakistan Youth	38,897	3,885	(32,444)	-	10,338
Commonwealth Foundation for Democracy	38,897	-	(28,559)	-	10,338
Stanley Johnson Stiftung	-	3,885	(3,885)	-	-
Sub Total Asia & Pacific Region	56,056	107,971	(47,666)	27,718	144,079

* Additional match funding was raised and spent and is recorded under LG8 and LG11 below.

** This funding match funds the Egypt project (EG2) and Iraq/Iran project (AA10) as it is operational in Egypt and Iraq as well as other countries in the Middle East.

Minority Rights Group (Limited by guarantee)
Notes to the financial statements (continued)
For the year ended 31 December 2018

Note	Start of the year	Incoming resources	Outgoing resources	Transfer	End of the year
	£	£	£	£	£
15. Movement in funds					
EUROPE/CIS REGION					
Freedom from Hate: Empowering Civil Society to Counter					
FFH Cyber-hate Against Roma	-	120,000	(67,551)	-	52,449
European Commission	-	120,000	(67,551)	-	52,449
Enhancing the Fair Trial for People Suspected or Accused of					
FA1 Crimes	-	21,000	-	-	21,000
European Commission	-	21,000	-	-	21,000
Ukraine - Strategies for Socio-economic Cooperation					
UR1 between Roma Communities and Local Authorities	73,936	159,000	(372,984)	-	(140,048)
European Commission	73,936	92,070	(306,054)	-	(140,048)
MRG	-	66,930	(66,930)	-	-
AA11 Caravan Project	2,922	2,631	(5,553)	-	-
European Cultural Foundation	2,922	2,631	(5,553)	-	-
Mobilising Civil Society for Monitoring Equality for Roma					
TR2 People in the Education and Housing Systems in Turkey ***	(65,257)	(9,904)	62,422	-	(12,740)
European Commission	(65,257)	(9,904)	62,422	-	(12,740)
Sub Total Europe/CIS Region	11,601	292,727	(383,666)	-	(79,338)
STRATEGIC COMMUNICATIONS					
Reporting Effectively on Development, Minorities &					
MM1 Migration***	267,078	225,000	(326,807)	-	165,271
European Commission	267,078	200,620	(302,427)	-	165,271
International Visegrad Fund	-	24,380	(24,380)	-	-
LEGAL EMPOWERMENT & STRATEGIC LITIGATION					
LG* Legal Empowerment & Strategic Litigation	26,164	314,435	(349,542)	12,568	3,625
LG* Other legal projects	(91,368)	-	-	11,568	(79,800)
LG1 - Voice UCRT	-	11,404	(13,018)	-	(1,614)
LG9 US DRL: Mauritania **	6,703	60,927	(38,730)	-	28,900
LG10 From Action to Equal Rights for Roma - EU via SONCE	15,016	27,716	(28,174)	-	14,558
LG11 Legal Empowerment Evaluation: Funding from VOICE	2,084	5,445	(21,498)	-	(13,969)
To create a favourable environment to end Slavery in					
LG12 Mauritania: EU	57,434	148,665	(158,181)	1,000	48,918
FF1 Freedom Fund	-	35,925	(29,293)	-	6,632
Securing the Recognition of Minorities and Indigenous					
BS1 Peoples and their Rights in Botswana	36,295	24,353	(60,648)	-	-
European Commission	36,295	24,353	(60,648)	-	-
CULTURAL PROGRAMMES					
AA1 Drama, Diversity and Development	6,936	-	(6,936)	-	-
European Commission	6,936	-	(6,936)	-	-
Street Theatre & Community Consultation to promote					
participation & access to services in the Dominico-Haitian					
AA9 * Community	(49,889)	(4,271)	-	54,160	-
European Commission	(49,889)	(4,271)	-	54,160	-
Sub Total International Advocacy and culture	(42,953)	(4,271)	(6,936)	54,160	-

* Additional match funding was raised and spent by partners and/or grantees on these projects.

This additional funding/expenditure is not included in the above figures.

** This funding includes an element of match funding for LG12.

*** IR3, IR4 (prev. page) and MM1 match-fund each other

Minority Rights Group (Limited by guarantee)
Notes to the financial statements (continued)
For the year ended 31 December 2018

Note 15 Movement in funds

HUMAN RIGHTS IN CONFLICTS

AA4 Human Rights in Conflicts EU Iraq - Civil society
European Commission

AA10 Iraq/Iran*

European Commission

Sub-total: Human Rights in Conflict

**Restricted funds before unrealised forex
gains/(losses)**

Unrealised foreign exchange gains (losses)

Total restricted funds

Unrestricted Funds

Revaluation reserve

Pension provision

General fund

Total unrestricted funds

Total funds

At start of year	Incoming resources	Outgoing resources	Transfers	At end of the year
£	£	£		£
23,577	3,071	(26,648)	-	
23,577	3,071	(26,648)	-	
117,779	143,801	(276,908)	-	(15,328)
117,779	143,801	(276,908)	-	(15,328)
141,356	146,872	(303,556)	-	(15,328)
672,777	1,749,808	(1,831,201)	138,819	730,204
9,658	-	(9,658)	-	-
682,435	1,749,808	(1,840,859)	138,819	730,204
174,447	-	(32,825)	-	141,622
(117,000)	-	21,923		(95,077)
43,355	317,818	16,830	(138,819)	239,184
				-
100,802	317,818	5,929	(138,819)	285,730
783,237	2,067,627	(1,834,930)	-	1,015,934

* This project is match funded by DP2.

The total fund is positive where the grant received is more than the amount spent up to the year end. The carried forward balances are spent on the grant activities in subsequent years. The fund balance is negative where the amount spent in the year end exceeds the grant received. The carried forward balances are reimbursed from payments from donors in subsequent years.

