

INSTITUTE FOR HUMAN RIGHTS & BUSINESS LIMITED

England & Wales · Charity number 1131790

Details

Other names INSTITUTE FOR HUMAN RIGHTS & BUSINESS

Status Registered

Legal form Charitable company

Company number [06882940](#)

Registered 2009-09-23

Register [View on the Charity Commission register](#)

Contact

Address Railview Lofts
19c Commercial Road
Eastbourne
East Sussex
BN21 3XE

Phone 02034114333

Email info@ihrb.org

Website www.ihrb.org

Activities

Objects: 3. THE CHARITY'S OBJECTS ARE: TO PROMOTE HUMAN RIGHTS (AS SET OUT IN THE UNIVERSAL DECLARATION OF HUMAN RIGHTS AND SUBSEQUENT UNITED NATIONS CONVENTIONS AND DECLARATIONS) THROUGHOUT THE WORLD BY ALL OR ANY OF THE FOLLOWING MEANS; (A) PROMOTING RESPECT FOR HUMAN RIGHTS AMONG INDIVIDUALS AND CORPORATIONS; (B) RESEARCH INTO HUMAN RIGHTS ISSUES; (C) PROVIDING TECHNICAL ADVICE TO GOVERNMENT AND OTHERS ON HUMAN RIGHTS MATTERS; (D) CONTRIBUTING TO THE SOUND ADMINISTRATION OF HUMAN RIGHTS LAW; (E) COMMENTING ON PROPOSED HUMAN RIGHTS LEGISLATION; (F) RAISING AWARENESS OF HUMAN RIGHTS ISSUES; (G) PROMOTING PUBLIC SUPPORT FOR HUMAN RIGHTS; (H) INTERNATIONAL ADVOCACY OF HUMAN RIGHTS; (I) ELIMINATING INFRINGEMENTS OF HUMAN RIGHTS

Activities: IHRB provide a trusted, impartial space for dialogue and independent analysis to deepen understanding of human rights challenges and issues and the appropriate role of business. We seek to

address problems where the law may be unclear, where accountability and responsibility may not be well-defined, and where legitimate dispute settlement mechanisms may be non-existent or poorly-administered.

Classification

- **How:** Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** The Prevention Or Relief Of Poverty, Economic/community Development/employment, Human Rights/religious Or Racial Harmony/equality Or Diversity
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** OVERSEAS
- Burma
- Switzerland
- United States
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£2,986,385	£3,015,359	£1,102,465	10
2023-12-31	£2,159,140	£2,794,582	£1,131,439	20
2022-12-31	£2,486,640	£2,944,934	£1,766,881	24
2021-12-31	£3,212,161	£3,792,990	£2,219,673	35
2020-12-31	£4,064,414	£2,825,639	£2,806,004	26

Trustees

Name	Role	Appointed
Daniel D'Ambrosio		2021-05-12
Daud Khan		2021-05-12
Deanna Louise Kemp		2016-04-13
Dr Nicola Mary Black		2020-02-06
Pia Elisabet Victoria Rudolfsson Goyer		2020-02-06
Ramanie Kunanayagam		2020-02-06

INSTITUTE FOR HUMAN RIGHTS & BUSINESS LIMITED

England & Wales - Charity number 1131790

Accounts

REGISTERED COMPANY NUMBER: 06882940 (England and Wales)
REGISTERED CHARITY NUMBER: 1131790

REPORT OF THE TRUSTEES AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024
FOR
INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2024**

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INSTITUTE FOR HUMAN RIGHTS & BUSINESS LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees of the Institute for Human Rights and Business (IHRB), who are also directors for the purposes of the Companies Act 2006, present their annual report and audited financial statements for the year ending 31 December 2024. This report has been prepared in accordance with the Statement of Recommended Practice (SORP) 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 2019).

OBJECTIVES AND ACTIVITIES

Our Vision and Mission

IHRB is a global centre of excellence and a leading international think tank focused on the intersection of business and human rights. Our mission is to shape policy, advance practice, and strengthen accountability so that respect for human rights becomes embedded in everyday business conduct around the world.

The charity's objectives are to promote Human Rights (as set out in the Universal Declaration of Human Rights and subsequent United Nations Conventions and Declarations) throughout the world by all or any of the following means;

- a) Promoting respect for Human Rights among individuals and corporations;
- b) Research into Human Rights issues;
- c) Providing technical advice to Government and others on Human Rights matters;
- d) Contributing to the sound administration of Human Rights law;
- e) Commenting on proposed Human Rights legislation;
- f) Raising awareness of Human Rights issues;
- g) Promoting public support for Human Rights;
- h) International advocacy of Human Rights;
- i) Eliminating infringements of Human Rights.

Our Status and Recognition

IHRB holds Special Consultative Status with the United Nations Economic and Social Council (ECOSOC) and Observer Status with the United Nations Framework Convention on Climate Change (UNFCCC). We are recognised globally for our impartial expertise, practical tools, and convening power.

How We Work

IHRB undertakes its work through a combination of:

- Time-bound thematic and geographic programmes
- Collective action initiatives
- Evidence-based research and practical guidance
- High-level convening and capacity building
- Strategic partnerships with business, government, civil society, and international organisations

We prioritise areas that offer potential for systemic impact, leverage, and catalytic change. These include global commodity value chains, recruitment and migration systems, the built environment, just transitions, and emerging governance frameworks for corporate accountability.

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2024**

Structure and Partnerships

In pursuing our objectives, IHRB has founded or co-founded five independent organisations that continue to drive change:

- Myanmar Centre for Responsible Business (MCRB), in partnership with the Danish Institute for Human Rights (DIHR)
- Centro Regional de Empresas y Emprendimientos Responsables (CREER) in Colombia
- Corporate Human Rights Benchmark (CHRB), now part of the World Benchmarking Alliance
- Centre for Sport and Human Rights (CSHR), a UK registered charitable company controlled by a Swiss parent non-profit association called Centre Pour Le Sport Et Les Droits De L'Homme dedicated to creating positive outcomes for people and communities affected or impacted by sport;
- IHRB Nordic, a Danish charitable association currently focused on the built environment

Additionally, IHRB leads several flagship initiatives:

- The Leadership Group for Responsible Recruitment, working to eliminate recruitment fees by 2026
- Dignity by Design, embedding human rights in the built environment
- Just Transitions, shaping socially inclusive climate transitions
- Gulf Sustain, a collective action platform focused on the rights of workers in the Gulf Cooperation Council
- Ocean and Human Rights Platform, with the Rafto Foundation, focusing on human rights risks in maritime industries

Significant activities

IHRB undertakes the vast majority of its work through the support of donations and grants but a small amount around £44k in 2024 (£39k in 2023) is provided in the form of services to governments and non-profit organisations through the subsidiary IHRB Trading Ltd.

How our activities deliver public benefit

The public benefit delivered is through the realisation of human rights by both governments and businesses through the protection of rights (in the case of the former), the integration of human rights due diligence in business world-wide and the promotion of remedies for the victims of human rights abuse.

In setting and reviewing our objectives and aims, and in planning and carrying out our activities, we have due regard to the public benefit guidance published by the Charity Commission.

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2024**

OBJECTIVES AND ACTIVITIES

Grantmaking

IHRB makes occasional grants to aligned not-for-profit partners where this is the most effective route to advance our charitable purposes. Grants are approved against published programme aims, due-diligence checks (including Safeguarding, financial controls, sanctions/ABAC, and conflicts of interest), and clear outputs/outcomes. Decisions are taken by management within delegated authority and, where appropriate, by the Board (or a Board committee) for higher-value or higher-risk grants.

All grants are documented with a simple letter of grant or agreement setting out purpose, conditions, reporting, and permitted use of funds. Monitoring is proportionate to value and risk and may include narrative and financial reporting, review meetings, and spot checks. Any unspent funds or material deviations from purpose must be agreed in advance; otherwise, unspent balances may be returned.

During the year, IHRB made grants totalling £115,204 to IHRB Nordic, CREER and HOMEF to further programme objectives.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2024**

ACHIEVEMENTS AND PERFORMANCE

Charitable activities

1. Ending Exploitation and Promoting Responsible Recruitment

IHRB continued to lead global efforts to end recruitment-related exploitation of migrant workers through our Leadership Group for Responsible Recruitment. In 2024:

- The Responsible Recruitment Register grew to 211 companies with public no-fees policies, from 565 reviewed
- We published new gender-responsive guidance to the Dhaka Principles and launched a research report focused on women migrant workers' recruitment experiences
- The 7th Global Forum for Responsible Recruitment welcomed over 1,600 participants (140 in-person, 1,500 online), with a thematic spotlight on the recruitment of women migrant workers

2. Advancing Just Transitions

Our work on just transitions expanded in both research and impact:

- We launched JUST Stories, a global storytelling initiative showcasing inclusive net-zero transitions
- Our research with the London School of Economics (LSE) mapped innovative financing mechanisms for socially responsible climate action
- We deepened engagement in Just Energy Transition Partnerships (JETPs) in South Africa, Indonesia, and Senegal. This included:
 - Co-hosting high-level convenings at COP28 in Dubai
 - Supporting the development of the Just Transition Financing Mechanism with South Africa's Presidential Climate Commission (PCC)
 - Building foundational partnerships with actors such as ACF, SARW, KSBSI, ViriyaENB, IDDRI, and Enda Energie

3. Human Rights in the Built Environment

2024 marked a culmination of multi-year research and new programmatic directions:

- Publication of the "Advancing Just Transitions in the Built Environment" report, launched in Brussels with the European Commission, European Investment Bank, and civil society
- Dissemination across forums including COP29, UNDP Buildings and Climate Forum, and Urban Future
- National initiatives launched in Denmark, Spain, and the UK to operationalise findings
- Completion of the Bergen Inclusion Centre, a flagship Dignity by Design project in Norway that led to procurement reforms by the City of Bergen

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2024**

4. Commodities, Mining, and Conflict Prevention

IHRB continued to promote responsible sourcing and alignment in commodity value chains:

- Active participation in global convenings:
- Swiss Commodity Trading Platform (with the Federal Department of Foreign Affairs - FDFA)
- London Commodity Trading Week
- OECD Forum on Responsible Mineral Sourcing
- Panel contributions at events co-hosted by Anglo American, ICA, and the Cobalt Institute
- Strategic advisory roles:
- Member of the CMSI Stakeholder Advisory Group, contributing to the consolidation of mining standards
- Partner of the Initiative for Responsible Mining Assurance (IRMA)
- Representation on the US Government's RBC Advisory Committee for Critical Minerals
- Continued engagement with ICoCA, the Voluntary Principles Initiative, and advisory roles to governments on responsible mineral trading

5. Education and Leadership

IHRB continues to lead in building the next generation of ethical business leaders:

- The Masters Course on Business and Human Rights in partnership with Rafto Foundation and the University of Bergen welcomed 60 students from over 20 countries
- Courses delivered at the Asia Business and Human Rights Forum (Bangkok), Friedrich Naumann Stiftung(Germany), and to CEMS students from LSE, Aalto, and NHH
- Lectures delivered at institutions including Oxford Saïd Business School, LSE, University of Zurich, and UCL
- Academic placements hosted for postgraduate students contributing to research and programme delivery

For more details please see our 2024 review available on our website at <https://www.ihrb.org/resources/ihrb-2024-review>.

Fundraising activities

The Institute retains its independence from all funders and strives to operate with complete impartiality. We believe it is important that we accept funding from all major constituencies - in particular Governments, Business and Civil Society (Private Foundations) - as these represent some of the major groups involved in our work. We actively work towards an even distribution between these three sources of funding.

However, the following conditions apply to our solicitation and acceptance of funding:

- Government and Foundation funding is usually allocated to specific projects (although some donors provide core funding) but only if the Institute's impartiality is respected.
- Business funding is only accepted as core funding with no specification on how funds should be allocated.

The Institute does not provide specific services to any business in return for funding received other than for training or stakeholder representation. The Institute does sometimes undertake advisory work with governments and inter-governmental bodies on a contractual basis.

The Institute will not take money from any organisation actively engaged in deliberate abuse of human rights or the undermining of development and progress with regard to business and human rights. From 2021, an additional requirement has been for donors is to have Net-Zero carbon commitments for 2050 at the latest.

The Institute publishes its funding sources and expenditure in accordance with UK Charity law.

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2024**

ACHIEVEMENTS AND PERFORMANCE

Donations and grants made

Donations of £115,204 (2023 - £150,104) were made by the Charity to IHRB Nordic, CREER and HOMEF during the year.

FINANCIAL REVIEW

Financial position

The charity's financial position is shown in detail on the balance sheet.

During 2024, the charity held an average of over £1,000,000 in total reserves. Reserves predominantly comprised restricted funds, with sufficient unrestricted funding to support planned operations.

At the balance sheet date reserves of £1,102,465 were held including £111,536 of unrestricted funds.

Principal funding sources

The charity's principal funding sources are from grants and donations.

Investment policy and objectives

The Institute for Human Rights & Business Limited only uses the services of banks and other financial service providers who have a strong ethical investment and lending criteria. The Institute holds business current account and card services with Natwest, Co-operative Bank, a reserves account with Nationwide, and deposit account services with Triodos Bank. The decision to use the services of these banks was made on an ethical basis.

The cornerstones of corporate governance are ethical behaviour, accountability and openness. In recent years, corporate governance has also developed to reflect the interests of stakeholders other than shareholders. The 'triple bottom line' approach focuses on economic and financial stability, social responsibility and environmental responsibility with ethical investment policies and products.

Reserves policy

Policy. The trustees view holding general (free) reserves as a core element of risk management to ensure resilience against timing differences in cashflows and unforeseen events. The target range is three months of core operating expenditure (minimum), with an aspiration to build towards four months as conditions allow. The reserves position is reviewed regularly; use of reserves requires trustee approval.

Position at 31 December 2024.

Total funds at year end were £1,102,465, comprising £111,536 unrestricted funds and £990,929 restricted funds. Free reserves (unrestricted) were therefore £111,536.

Target equivalence. Based on the 2024 core operating cost base of £756,394, the target free-reserves range is £189,099-£252,131 (3 - 4 months). Against this target, free reserves at year end represent 1.6 months' cover. Free reserves were lower at year end due to trustees' decision to cover programme funding gaps in 2024. In addition, some anticipated income, which had been planned for in 2024, could not be recognised until 2025 due to documentation delays. The trustees are confident in the strength of the funding pipeline and will seek to rebuild reserves back towards the target range during 2025.

Subsidiary reserves. The trustees note that IHRB Trading Limited reported a £4,009 surplus in 2024 (2023: £4,802 deficit).

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2024**

FINANCIAL REVIEW

Risk management

The trustees have identified how and where risks should be managed and mitigated.

Under duty of prudence, the trustees have ensured that: the charity is and will remain solvent; charitable funds and assets are used reasonably, and only in furtherance of the charity's objects; undertaking activities that might place the charity's funds, assets or reputation at undue risk is avoided and special care when investing the funds of the charity, or borrowing funds for the charity to use is taken into consideration.

Under duty of care, the trustees have ensured that they seek external professional advice on all matters where there may be material risk to the charity, or where the trustees may be in breach of their duties.

PLANS FOR FUTURE PERIODS

In 2025, IHRB will continue to build on our core areas while responding to emerging global trends and risks. Priorities include:

- Working to strengthen business drivers for social sustainability, including finance, insurance, technology, reporting and disclosure requirements, and other forms of incentive. Deepening national engagements in just transitions and responsible recruitment
- Strengthening digital accountability and governance as well as the role of data and technology in understanding the prevalence, root causes and effective solutions to systemic human rights challenges.
- Deepening national and local engagement on just transitions, through place-based approaches and strong stakeholder narratives.
- Maintaining progress on advancing responsible recruitment practices globally and protecting the rights of migrant workers.
- Sustaining momentum in education, youth engagement, and systems change through new alliances

We remain committed to making respect for human rights part of everyday business, with a focus on inclusive, strategic, and forward-looking collaboration.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, Memorandum and Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2024**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

During 2024, the Institute had seven trustees who were responsible for the governance of the charity and ensure that IHRB pursues the objects for which it was founded. Trustees have been selected based on their professional experience and expertise.

Trustees are required to declare any possible conflicts of interest and are therefore unlikely to hold decision-making positions in mainstream business or government during their tenure with the Institute. When recruiting for a new trustee, the Board will make a selection with the aim of having a balanced, well-informed, and effective trustee body that undertakes proper governance of IHRB. Individuals who are passionate about IHRB's purpose and aims and can bring relevant experience and knowledge to enhance the effectiveness of the charity will be sought out. IHRB staff will provide a shortlist of nominations of potential trustee candidates who meet agreed criteria, to which the Board can add nominations for consideration. The IHRB CEO and Deputy CEO, in consultation with colleagues, will advise trustees on the final selection, and facilitate an invitation from the Co-Chairs of the Board to the selected candidate(s). Possible new trustees undertake a period of observer status, usually joining at least one IHRB trustee meetings before their appointment is formalised. The Board will undertake appropriate due diligence to ensure that those who have been disqualified from serving as a trustee are not approached. Additionally, consideration will be made to not making trustee appointments which would potentially give rise to conflicts of interest.

Group structure and subsidiary undertakings

The charity has two wholly-owned trading subsidiary, IHRB Trading Limited, which carries out non-primary-purpose trading in support of the charity and Myanmar Centre for Responsible Business Ltd (MCRB, which has ceased activity). The trading subsidiary's activities are aligned with IHRB's charitable aims; all taxable profits are available to be gift-aided to the parent. In the year ended 31 December 2024 the subsidiary achieved a surplus of £4,009 (2023: £4,802 deficit). There are no other subsidiary undertakings.

For clarity, the following organisations referenced in this report - CREER (Colombia), the Corporate Human Rights Benchmark (now part of the World Benchmarking Alliance), the Centre for Sport and Human Rights (CSHR), and IHRB Nordic - are independent entities; they are not subsidiaries of IHRB, though IHRB has historically played founding or partnership roles.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06882940 (England and Wales)

Registered Charity number

1131790

Registered office

Railview Lofts
19c Commercial Road
Eastbourne
East Sussex
BN21 3XE

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2024**

Trustees

D L Kemp
R J D Popper
N Black
P Goyer
R Kunanayagam
D D'Ambrosio
D Khan

Auditors

Kingston Burrowes Audit Ltd
308 Ewell Road
Surbiton
Surrey
KT6 7AL

Bankers

NatWest Bank Plc
96 Terminus Road
Eastbourne
East Sussex
BN21 3LX

Accountants

LMDB Accountants
Railview Lofts
19c Commercial Road
Eastbourne
East Sussex
BN21 3XE

Chief Executive Officer

John Morrison

Deputy Chief Executive Officer

Julia Batho

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2024**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Institute For Human Rights & Business Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 those 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 auditors are unaware; and
- 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 auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 20 October 2025 and signed on its behalf by:

N Black - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

Opinion

We have audited the financial statements of Institute For Human Rights & Business Limited (the parent 'charitable company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise the Group Statement of Financial Activities, the Group and the Parent Charitable Company Balance Sheet, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of 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 2024 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Trustees, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Report of the Trustees 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INSTITUTE FOR HUMAN RIGHTS & BUSINESS LIMITED

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the parent 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's 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.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance about actual and potential litigation or claims and the identification of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including testing journal entries and other adjustments for appropriateness.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Professional scepticism in course of the audit and with audit sampling in material audit areas.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

Use of our report

This report is made solely to the group and parent 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 group and parent charitable company's members those matters we are required to state to them in an auditors' 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 group and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kevin Fisher FCA (Senior Statutory Auditor)
for and on behalf of Kingston Burrowes Audit Ltd
308 Ewell Road
Surbiton
Surrey
KT6 7AL

Date: 21 October 2025

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2024**

		Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	418,170	31,907	450,077	1,178,051
Charitable activities	4				
Migrant workers and work with dignity		-	586,699	586,699	305
HRD and Discrimination		-	20,000	20,000	-
Shipping, Oceans and Commodities		-	243,131	243,131	233,335
Built Environment		-	539,833	539,833	422,086
Just Transition		-	753,080	753,080	22,953
UDHR75 Event		-	-	-	42,959
Gulf Sustain		-	341,749	341,749	212,619
Commercial trading operations	5	43,979	-	43,979	39,138
Investment income	6	<u>7,837</u>	<u>-</u>	<u>7,837</u>	<u>7,694</u>
Total		<u>469,986</u>	<u>2,516,399</u>	<u>2,986,385</u>	<u>2,159,140</u>
EXPENDITURE ON					
Raising funds	7	21,258	-	21,258	17,041
Commercial trading operations		35,168	-	35,168	36,163
Charitable activities	9				
Migrant workers and work with dignity		47,492	527,414	574,906	765,732
Myanmar Centre for Responsible Business		5,426	123,985	129,411	265,808
HRD and Discrimination		189,139	20,000	209,139	127,364
Shipping, Oceans and Commodities		115,133	283,322	398,455	257,505
Built Environment		97,543	498,308	595,851	602,019
Just Transition		3,470	565,368	568,838	278,758
UDHR75 Event		663	-	663	47,310
Gulf Sustain		<u>225,696</u>	<u>255,974</u>	<u>481,670</u>	<u>397,062</u>
Total		<u>740,988</u>	<u>2,274,371</u>	<u>3,015,359</u>	<u>2,794,582</u>
NET INCOME/(EXPENDITURE)		(271,002)	242,028	(28,974)	(635,442)
RECONCILIATION OF FUNDS					
Total funds brought forward		382,538	748,901	1,131,439	1,766,881

The notes form part of these financial statements

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
TOTAL FUNDS CARRIED FORWARD		<u>111,536</u>	<u>990,929</u>	<u>1,102,465</u>	<u>1,131,439</u>

CONTINUING OPERATIONS

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The notes form part of these financial statements

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**CONSOLIDATED BALANCE SHEET
31 DECEMBER 2024**

	Notes	Consolidated 2024 £	Consolidated 2023 £	Charity 2024 £	Charity 2023 £
FIXED ASSETS					
Tangible assets	16	1,182	2,203	1,182	2,203
Investments	17	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
		1,182	2,203	1,184	2,205
CURRENT ASSETS					
Debtors: amounts falling due within one year	18	355,504	656,646	409,189	689,016
Cash at bank		<u>1,051,758</u>	<u>1,539,245</u>	<u>983,736</u>	<u>1,496,131</u>
		1,407,262	2,195,891	1,392,925	2,185,147
CREDITORS					
Amounts falling due within one year	19	(305,979)	(1,066,655)	(303,932)	(1,064,273)
		<u>1,101,283</u>	<u>1,129,236</u>	<u>1,088,993</u>	<u>1,120,874</u>
NET CURRENT ASSETS					
		1,102,465	1,131,439	1,090,177	1,123,079
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>1,102,465</u>	<u>1,131,439</u>	<u>1,090,177</u>	<u>1,123,079</u>
NET ASSETS					
		<u>1,102,465</u>	<u>1,131,439</u>	<u>1,090,177</u>	<u>1,123,079</u>
FUNDS	20				
Unrestricted funds		111,536	382,538	99,248	374,178
Restricted funds		<u>990,929</u>	<u>748,901</u>	<u>990,929</u>	<u>748,901</u>
TOTAL FUNDS		<u>1,102,465</u>	<u>1,131,439</u>	<u>1,090,177</u>	<u>1,123,079</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 20 October 2025 and were signed on its behalf by:

N Black - Trustee

The notes form part of these financial statements

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(495,324)</u>	<u>269,202</u>
Net cash (used in)/provided by operating activities		<u>(495,324)</u>	<u>269,202</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(3,062)
Interest received		<u>7,837</u>	<u>7,694</u>
Net cash provided by investing activities		<u>7,837</u>	<u>4,632</u>
Cash flows from financing activities			
(Increase)/Decrease in group debtors		<u>-</u>	<u>-</u>
Net cash (used in)/provided by financing activities		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		(487,487)	273,834
Cash and cash equivalents at the beginning of the reporting period		<u>1,539,245</u>	<u>1,265,411</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,051,758</u></u>	<u><u>1,539,245</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

**1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING
ACTIVITIES**

	2024 £	2023 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(28,974)	(635,442)
Adjustments for:		
Depreciation charges	1,021	1,270
Interest received	(7,837)	(7,694)
Decrease in debtors	301,142	148,506
(Decrease)/increase in creditors	<u>(760,676)</u>	<u>762,562</u>
Net cash (used in)/provided by operations	<u>(495,324)</u>	<u>269,202</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.24 £	Cash flow £	At 31.12.24 £
Net cash			
Cash at bank	<u>1,539,245</u>	<u>(487,487)</u>	<u>1,051,758</u>
	<u>1,539,245</u>	<u>(487,487)</u>	<u>1,051,758</u>
Total	<u>1,539,245</u>	<u>(487,487)</u>	<u>1,051,758</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

1. STATUTORY INFORMATION

Institute for Human Rights & Business Limited is a private company, limited by guarantee, registered in England and Wales.

The company's registered office address is:

Railview Lofts
19c Commercial Road
Eastbourne
East Sussex
BN21 3XE

The presentation currency of the financial statements is the Pound Sterling (£).

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic Ireland', the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice. The financial statements have been prepared under the historical cost convention.

Preparation of the accounts on a going concern basis

The trustees are not aware of any material uncertainties about the charity's ability to continue as a going concern.

The significant accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all years presented unless otherwise stated.

Preparation of consolidated financial statements

The financial statements contain information about Institute For Human Rights & Business Limited as an individual charity and do not contain consolidated financial information as the parent of a group. The charity is required to prepare consolidated accounts under the Charities Act 2011 and will do so in addition to preparing these financial statements for the individual charity.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grant income is recognised when there is formal offer of funding communicated in writing to the charity which does not relate wholly to future accounting periods.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. ACCOUNTING POLICIES - continued

Income

The value of donated services are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the charity can be reliably measured. An equivalent amount will be included as expenditure under the relevant heading in the Statement of Financial Activities.

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Allocation and apportionment of costs

All costs are allocated between expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned according to time spent on each activity during the period.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 33% on cost

Tangible fixed assets, excluding investments are initially measured at cost and subsequently stated at depreciated historic cost.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. ACCOUNTING POLICIES - continued

Fund accounting

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Pension costs are allocated to activities on the same basis as set out in the allocation and apportionment of costs policy stated above. Pension costs and liabilities are allocated to restricted and unrestricted reserves based on the allocation of labour time to the charities various funds.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the charity becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and are initially measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due. Cash and cash equivalents are classified as basic financial instruments and comprise cash at bank and short-term bank deposits with an original maturity of three months or less which are an integral part of the charity's cash management.

Financial liabilities issued by the company are classified in accordance with the substance of the contractual arrangements entered into and meet the definitions of a financial liability.

Financial assets are de-recognised when:

- the contractual rights to the cash flows from the financial asset expire or are settled; or
- the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the charity despite having retained some but not all significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are de-recognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments in subsidiaries

Investments in group companies are stated at cost less any identified impairment. An impairment review is undertaken annually by the trustees.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

3. DONATIONS AND LEGACIES

	2024	2023
	£	£
Business donations	305,273	611,075
Foundation grants	29,804	151,976
Government grants	<u>115,000</u>	<u>415,000</u>
	<u>450,077</u>	<u>1,178,051</u>

Grants recognised as income included multi-year grants for the Myanmar Centre For Responsible Business, the Migrant Workers, Built Environment, Just Transition, Shipping, Oceans and Commodities and Gulf Sustain programmes. Income is recognised in the year in which the grants were agreed whilst the grant funding was for various periods ending up to 30 September 2027.

4. INCOME FROM CHARITABLE ACTIVITIES

		2024	2023
	Activity	£	£
Grants	Migrant workers and work with dignity	586,699	305
Grants	HRD and Discrimination	20,000	-
Grants	Shipping, Oceans and Commodities	243,131	233,335
Grants	Built Environment	539,833	422,086
Grants	Just Transition	753,080	22,953
Grants	UDHR75 Event	-	42,959
Grants	Gulf Sustain	<u>341,749</u>	<u>212,619</u>
		<u>2,484,492</u>	<u>934,257</u>

5. COMMERCIAL TRADING ACTIVITIES

	2024	2023
	£	£
Consultancy	<u>43,979</u>	<u>39,138</u>

6. INVESTMENT INCOME

	2024	2023
	£	£
Deposit account interest	<u>7,837</u>	<u>7,694</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

7. RAISING FUNDS

Raising donations and legacies

	2024	2023
	£	£
Staff costs	5,429	7,207
Insurance	579	504
Telephone	178	218
Postage and stationery	2	13
Sundries	2,257	215
Bank charges	35	19
Consultancy	7,137	2,858
Training	263	83
Website	743	464
Office rent	82	215
IT expenses	254	346
Accountancy and back office support	1,210	1,263
Travel and accommodation	2,553	2,727
Exchange rate variances	510	876
Depreciation	26	33
	<u>21,258</u>	<u>17,041</u>

Raising funds are a support cost of the charity.

8. SUBSIDIARY INCOME AND COSTS

The wholly owned trading subsidiaries IHRB Trading Ltd and Myanmar Centre for Responsible Business Limited are both incorporated in the United Kingdom and pay all of their distributable profits to the parent charity by gift aid. The parent charity owns the entire share capital in each subsidiary, being 1 ordinary share of £1 for each company. A summary of the trading results whilst part of the group is shown below.

IHRB Trading Ltd	2024	2023
	£	£
Turnover	43,979	39,138
Other income	-	-
Administration and other costs	<u>(35,168)</u>	<u>(36,162)</u>
Operating profit/(loss)	<u>8,811</u>	<u>2,976</u>
Net income	8,811	2,976
Amount gift aided to the charity	<u>-</u>	<u>-</u>
Retained in subsidiary	<u>8,811</u>	<u>2,976</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

As at December 2024, IHRB Trading Ltd had net assets of £4,009 (2023 – 4,802). This comprised assets of £62,313 (2023 - £34,943) and liabilities of £58,304 (2023 - £39,745).

Myanmar Centre for Responsible Business Limited	2024	2023
	£	£
Turnover	(9,785)	104,743
Other income	-	-
Administration and other costs	<u>9,785</u>	<u>(104,743)</u>
Operating profit/(loss)	<u>-</u>	<u>-</u>
Net income	-	-
Amount gift aided to the charity	<u>-</u>	<u>-</u>
Retained in subsidiary	<u>-</u>	<u>-</u>

As at December 2024, Myanmar Centre for Responsible Business Limited had net assets of £1 (2023 - £1). This comprised assets of £1 (2023 - £22,367) and liabilities of £1 (2023 - £22,366).

IHRB USA	2024	2023
	£	£
Turnover	-	-
Other income	-	-
Administration and other costs	<u>(81)</u>	<u>(627)</u>
Operating profit/(loss)	<u>-</u>	<u>-</u>
Net income	-	-
Amount gift aided to the charity	<u>-</u>	<u>-</u>
Retained in subsidiary	<u>-</u>	<u>-</u>

As at December 2024, IHRB USA had net assets of £8,279 (2023 - £8,360). This comprised assets of £8,279 (2023 - £8,360) and liabilities of £Nil (2023 - £Nil).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

9. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 10) £	Support costs (see note 11) £	Totals £
Migrant workers and work with dignity	416,139	-	158,767	574,906
Myanmar Centre for Responsible Business	102,455	-	26,956	129,411
HRD and Discrimination	141,688	-	67,451	209,139
Shipping, Oceans and Commodities	263,787	59,593	75,075	398,455
Built Environment	380,535	55,611	159,705	595,851
Just Transition	426,470	-	142,368	568,838
UDHR75 Event	663	-	-	663
Gulf Sustain	355,598	-	126,072	481,670
	<u>2,087,335</u>	<u>115,204</u>	<u>756,394</u>	<u>2,958,933</u>
Comparatives for the year ended 31 December 2023:				
	£	£	£	£
Totals	<u>1,891,509</u>	<u>150,104</u>	<u>699,765</u>	<u>2,741,378</u>

Direct costs comprise staff costs of £547,573 (2023 - £599,835) and other direct costs of £2,411,360 (2023 - £2,141,546).

10. GRANTS PAYABLE

	2024 £	2023 £
Shipping, Oceans and Commodities	59,593	56,189
Built Environment	<u>55,611</u>	<u>93,915</u>
	<u>115,204</u>	<u>150,104</u>
The total grants paid to institutions during the year was as follows:		
	2024 £	2023 £
IHRB Nordic	55,610	80,388
CREER	39,701	27,593
ICLEI	-	13,527
Mission to Seafarers	-	1,200
HOMEF	<u>19,893</u>	<u>27,396</u>
	<u>115,204</u>	<u>150,104</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

11. SUPPORT COSTS

	Management £	Finance £	Information technology £	Governance costs £	Totals £
Migrant workers and work with dignity	145,464	352	11,579	1,372	158,767
Myanmar Centre for Responsible Business	17,815	104	4,612	4,425	26,956
HRD and Discrimination	62,694	127	4,180	450	67,451
Shipping, Oceans and Commodities	69,819	140	4,619	497	75,075
Built Environment	148,442	300	9,897	1,066	159,705
Just Transition	134,089	221	7,275	783	142,368
Gulf Sustain	<u>117,019</u>	<u>241</u>	<u>7,955</u>	<u>857</u>	<u>126,072</u>
	<u>695,342</u>	<u>1,485</u>	<u>50,117</u>	<u>9,450</u>	<u>756,394</u>

Comparatives for the year ended 31 December 2023:

	£	£	£	£	£
Totals	<u>638,205</u>	<u>815</u>	<u>52,989</u>	<u>7,756</u>	<u>699,765</u>

Support costs comprise staff costs of £213,494 (2023 - £276,559) and other costs of £542,900 (2023 - £423,206).

12. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2024 £	2023 £
Auditors' remuneration	9,450	7,756
Audit of trading subsidiaries	2,225	2,015
Depreciation - owned assets	<u>1,021</u>	<u>1,270</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

13. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2024 nor for the year ended 31 December 2023.

Trustees' expenses

During the year three trustees (2023 - two) were reimbursed expenses as follows:

	2024	2023
	£	£
Travel expenses	<u>424</u>	<u>442</u>

14. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	594,331	627,837
Social security costs	65,651	69,481
Other pension costs	<u>166,399</u>	<u>154,381</u>
	<u>826,381</u>	<u>851,699</u>

The key management personnel of the charity comprise the trustees, the Chief Executive Officer and his deputy (employee up to August 2023). The total employee benefits of the key management personnel of the charity were £329,335 (2023 - £252,580).

The Deputy CEO started to work as a consultant from September 2023 and was paid £127,602 (2023: £42,536) during the year.

Under FRS 102, employee benefits include gross salary, benefits in kind, employer's social security and employer pension costs.

The average monthly number of employees during the year was as follows:

	2024	2023
Staff	<u>10</u>	<u>10</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

14. STAFF COSTS - continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024	2023
£60,001 - £70,000	3	-
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£140,001 - £150,000	<u>1</u>	<u>1</u>
	<u>5</u>	<u>2</u>

Retirement benefits are accruing to five employees (2023 - two) earning over £60,000 per annum. The total pension contributions paid in respect of said employees was £53,446 for the year ended 31 December 2024 (2023 - £28,321).

15. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	877,171	300,880	1,178,051
Charitable activities			
Migrant workers and work with dignity	-	305	305
Shipping, Oceans and Commodities	-	233,335	233,335
Built Environment	-	422,086	422,086
Just Transition	-	22,953	22,953
UDHR75 Event	-	42,959	42,959
Gulf Sustain	-	212,619	212,619
Commercial trading activities	39,138	-	39,138
Investment income	<u>7,694</u>	<u>-</u>	<u>7,694</u>
Total	<u>924,003</u>	<u>1,235,137</u>	<u>2,159,140</u>
EXPENDITURE ON			
Raising funds	17,041	-	17,041
Commercial trading operations	36,163	-	36,163
Charitable activities			
Migrant workers and work with dignity	399,926	365,807	765,733
Myanmar Centre for Responsible Business	1,382	264,426	265,808
HRD and Discrimination	127,364	-	127,364
Shipping, Oceans and Commodities	163,116	94,389	257,505
Built Environment	94,807	507,212	602,019
Just Transition	126,576	152,182	278,758
UDHR75 Event	4,171	42,959	47,130
Gulf Sustain	302,380	94,682	397,062

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

15. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

Total	<u>1,272,925</u>	<u>1,521,657</u>	<u>2,794,582</u>
NET INCOME/(EXPENDITURE)	(348,922)	(286,520)	(635,442)
RECONCILIATION OF FUNDS			
Total funds brought forward	731,460	1,035,421	1,766,881
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS CARRIED FORWARD	<u>382,538</u>	<u>748,901</u>	<u>1,131,439</u>

16. TANGIBLE FIXED ASSETS - GROUP AND CHARITY

	Computer equipment £
COST	
At 1 January 2024 and 31 December 2024	<u>14,187</u>
DEPRECIATION	
At 1 January 2024	11,984
Charge for year	<u>1,021</u>
At 31 December 2024	<u>13,005</u>
NET BOOK VALUE	
At 31 December 2024	<u>1,182</u>
At 31 December 2023	<u>2,203</u>

Fixed assets are not capitalised below the value of £250.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

17. FIXED ASSET INVESTMENTS - CHARITY

	Shares in group undertaking £
MARKET VALUE	
At 1 January 2024 and 31 December 2024	<u>2</u>
NET BOOK VALUE	
At 31 December 2024	<u>2</u>
At 31 December 2023	<u>2</u>

The above shares in group undertakings represent investment assets held in the UK. In addition the company is a member of one company incorporated in the USA without share capital.

The company's investments at the balance sheet date in the share capital of companies include the following:

IHRB Trading Limited

Registered office: Railview Lofts, 19C Commercial Road, Eastbourne, East Sussex, BN21 3XE.

Company Number 07562148

Nature of business: Consultancy Services

	% holding	2024 £	2023 £
Class of share:			
Ordinary	100		
Aggregate capital and reserves		4,009	(4,802)
Profit for the year		<u>8,811</u>	<u>2,976</u>

Myanmar Centre For Responsible Business Limited

Registered office: Railview Lofts, 19C Commercial Road, Eastbourne, East Sussex, BN21 3XE.

Company Number 08732191

Nature of business: Consultancy Services

	% holding	2024 £	2023 £
Class of share:			
Ordinary	100		
Aggregate capital and reserves		1	1

IHRB USA

Country of incorporation: USA

Nature of business: Charity

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

17. FIXED ASSET INVESTMENTS - continued

The above company is incorporated without share capital, with the Institute For Human Rights and Business being the sole member.

	2024	2023
	£	£
Aggregate capital and reserves	8,279	8,360
Surplus / (Deficit) for year	<u>(81)</u>	<u>(627)</u>

18. DEBTORS – GROUP AND CHARITY

AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£	£	£	£
Trade debtors	166,590	397,181	166,591	397,181
Other debtors	107	19	-	-
Amounts owed by group undertakings	-	-	56,255	33,290
Accrued income	151,698	245,704	149,234	244,803
Prepayments	<u>37,109</u>	<u>13,742</u>	<u>37,109</u>	<u>13,742</u>
	<u>355,504</u>	<u>656,646</u>	<u>409,189</u>	<u>689,016</u>

19. CREDITORS: GROUP AND CHARITY

AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£	£	£	£
Trade creditors	27,082	34,765	27,084	33,524
Amounts owed to group undertakings	-	-	1	-
Social security and other taxes	19,752	38,387	19,752	19,307
Other creditors	15,836	13,933	15,836	13,933
Accrued expenses	22,642	29,193	20,592	47,132
Deferred Income	142,275	856,699	142,275	856,699
Grants payable	<u>78,392</u>	<u>93,678</u>	<u>78,392</u>	<u>93,678</u>
	<u>305,979</u>	<u>1,066,655</u>	<u>303,932</u>	<u>1,064,273</u>

Deferred grant income brought forward from 2023 of £856,699 has been released during the year.

Deferred income as at 31 December 2024 includes grant funding received in the period of £142,275. The grants have been made for activities in 2025.

**NOTES TO THE CONSOLIDATE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

20. MOVEMENT IN FUNDS

	At 1.1.24 £	Net movement in funds £	Transfers between funds £	At 31.12.24 £
Unrestricted funds				
General fund	82,538	(271,002)	225,000	36,536
Contingency reserve	<u>300,000</u>	<u>-</u>	<u>(225,000)</u>	<u>75,000</u>
	382,538	(271,002)	-	111,536
Restricted funds				
Migrant workers and work with dignity	-	89,852	-	89,852
Myanmar Centre for Responsible Business	122,646	(122,646)	-	-
Built Environment	256,029	41,526	-	297,555
Shipping, Oceans and Commodities	148,946	(40,191)	-	108,755
Just Transition	5,116	187,712	-	192,828
Gulf Sustain	<u>216,164</u>	<u>85,775</u>	<u>-</u>	<u>301,939</u>
	<u>748,901</u>	<u>242,028</u>	<u>-</u>	<u>990,929</u>
TOTAL FUNDS	<u><u>1,131,439</u></u>	<u><u>(28,974)</u></u>	<u><u>-</u></u>	<u><u>1,102,465</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	469,986	(740,988)	(271,002)
Restricted funds			
Migrant workers and work with dignity	587,266	(497,414)	89,852
Myanmar Centre for Responsible Business	1,339	(123,985)	(122,646)
Built Environment	539,834	(498,308)	41,526
Shipping, Oceans and Commodities	183,131	(223,322)	(40,191)
Just Transition	743,080	(555,368)	187,712
Gulf Sustain	301,749	(215,974)	85,775
Core support fund	<u>160,000</u>	<u>(160,000)</u>	<u>-</u>
	<u>2,516,399</u>	<u>(2,274,371)</u>	<u>242,028</u>
TOTAL FUNDS	<u><u>2,986,385</u></u>	<u><u>(3,015,359)</u></u>	<u><u>(28,974)</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.23 £	Net movement in funds £	Transfers between funds £	At 31.12.23 £
Unrestricted funds				
General fund	131,460	(348,922)	300,000	82,538
Contingency reserve	<u>600,000</u>	<u>-</u>	<u>(300,000)</u>	<u>300,000</u>
	731,460	(348,922)	-	382,538
Restricted funds				
Migrant workers and work with dignity	365,502	(365,502)	-	-
Myanmar Centre for Responsible Business	86,193	36,453	-	122,646
Built Environment	341,155	(85,126)	-	256,029
Shipping, Oceans and Commodities	9,998	138,948	-	148,946
Just Transition	134,345	(129,229)	-	5,116
Gulf Sustain	<u>98,227</u>	<u>117,937</u>	<u>-</u>	<u>216,164</u>
	<u>1,035,421</u>	<u>(286,520)</u>	<u>-</u>	<u>748,901</u>
TOTAL FUNDS	<u><u>1,766,881</u></u>	<u><u>(635,442)</u></u>	<u><u>-</u></u>	<u><u>1,131,439</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	924,003	(1,272,925)	(348,922)
Restricted funds			
Migrant workers and work with dignity	304	(365,807)	(365,503)
Myanmar Centre for Responsible Business	300,879	(264,427)	36,453
Built Environment	422,086	(507,212)	(85,126)
Shipping, Oceans and Commodities	233,337	(94,387)	138,948
Just Transition	22,953	(152,182)	(129,229)
UDHR75	42,959	(42,959)	-
Gulf Sustain	<u>212,619</u>	<u>(94,682)</u>	<u>117,937</u>
	<u>1,235,137</u>	<u>(1,521,657)</u>	<u>(286,520)</u>
TOTAL FUNDS	<u><u>2,159,140</u></u>	<u><u>(2,794,582)</u></u>	<u><u>(635,442)</u></u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

20. MOVEMENT IN FUNDS - continued

Unrestricted funds represent monies given to the charity without restrictions.

The trustees have a reserves policy of keeping approximately 4 months of working capital in reserves. Unrestricted reserves held as at 31 December 2024 are broadly in line with the policy. As an extension to the policy, £100,000 of unrestricted reserves have been designated as a contingency reserve. The charity is not able to access these funds without trustees prior approval.

Restricted funds represent monies given to the charity for a particular activity as follows:

Migrant Workers and Work with Dignity: Strengthening protection of migrant worker rights and examining the responsibilities of recruitment agencies.

Gulf Sustain: An initiative to promote responsible business for people and planet in the GCC.

Myanmar Centre For Responsible Business: An initiative to encourage responsible business activities throughout Myanmar.

High Risk Markets: Programme related specifically to responsible business conduct in high-risk environments, which includes the role that investors, local companies and governments should play.

Shipping, Oceans and Commodities: Identifying and developing human rights lifecycle and principles relating to Maritime Sector and work on the extractive sector aiming to embed the protection of and respect for human rights, transparency, and accountability.

Built Environment: Exploring the extent to which built environment promotes, threatens or diminishes human dignity

Human Rights Defenders and Discrimination: Protecting human rights defenders and challenging business and discriminatory practices.

Just Transition: Visible framing for government and business action on climate change.

UDHR75: Festival of Human Rights - 75 Years of the Universal Declaration of Human Rights.

Core Support Fund - To fund the charity's core activities with a focus on commodities, Just Transition, Leadership and Innovation, and youth strategies.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

21. EMPLOYEE BENEFIT OBLIGATIONS

The charity contributed to defined contribution pension schemes for all of the employees during the period. Contributions of £166,398 (2023 - £154,381) have been charged to the Statement of Financial Activities for the period under review. As at 31 December 2024 there were unpaid contributions of £15,836 (2023 - £13,192).

22. RELATED PARTY DISCLOSURES

IHRB Trading Limited

Subsidiary company

As at 31 December 2024 the subsidiary owed the charity £56,255 (2023 - £33,724). An impairment loss has been provided on the loan of nil (2023 - £4,802). The loan by the charity has no fixed repayment term and is interest free.

Staff costs of £2,029 (2023: £2,940) were recharged by parent charitable company to its subsidiary during the year.

Myanmar Centre For Responsible Business Limited

Subsidiary company

The balance due to the subsidiary at the balance sheet date was £1 (2023 - £4,368). This loan has no fixed repayment term and is interest free.

Expenses of £19,670 (2023 - £104,743) were recharged by the subsidiary to the charity during the year.

There were no other related party transactions for the year requiring disclosure.

23. CONTINGENT ASSETS

The charity has been awarded grants totalling £1,547,105 (2023 - £1,651,994), which are for time periods that commence after the balance sheet date. As the charity is presently unable to receive or expend these funds they are not recognised in income in the reporting period.

INSTITUTE FOR HUMAN RIGHTS & BUSINESS LIMITED

England & Wales - Charity number 1131790

Accounts

REGISTERED COMPANY NUMBER: 06882940 (England and Wales)
REGISTERED CHARITY NUMBER: 1131790

REPORT OF THE TRUSTEES AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
FOR
INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2023**

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**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2023. The trustees have adopted the provisions of 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Institute for Human Rights and Business (IHRB) is the leading international think tank on business and human rights. IHRB's mission is to shape policy, advance practice and strengthen accountability in order to make respect for human rights part of everyday business.

IHRB serves as an independent voice on human rights and business issues around the world and holds ECOSOC Special Consultative status within the United Nations, and Observer Status within the United Nations Framework Convention on Climate Change COP process. IHRB works across its programmes with public and private sector partners in both developing and developed countries and:

- produces in-depth reports, practical briefings and regular commentaries, identifying gaps and emerging issues, and developing evidence to advance global norms and standards.
- provides trusted and impartial advice to governments, businesses and international organisations.
- drives dialogue and breaks down silos and brings together diverse stakeholders in collective action programmes to achieve significant impact.

IHRB prioritises its work through time-bound programmes that can have the greatest impact, leverage, and catalytic effect, focusing both on geographic programmes (countries in economic and political transition) and thematic programmes (business sectors that underpin globalisation, in relation to the flow of for example workers or commodities). This includes collective-action leadership involving different stakeholders.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023**

OBJECTIVES AND ACTIVITIES

Significant activities

In order to achieve its objectives, IHRB works through both its geographic, regional programmes and its global, thematic programmes, with public and private sector partners in both developing and developed countries. In order to achieve these objectives, IHRB has so far participated in the founding of five separate organisations: In order to achieve its objectives, IHRB works through both its geographic, regional programmes and its global, thematic programmes, with public and private sector partners in both developing and developed countries. In order to achieve these objectives, IHRB has so far participated in the founding of five separate organisations:

- Myanmar Centre for Responsible Business (MCRB), in partnership with the Danish Institute for Human Rights (DIHR);
- Centro Regional de Empresas y Emprendimientos Responsables (CREER) in Colombia;
- The Corporate Human Rights Benchmark (CHRB), a global initiative ranking the world's largest and most influential companies in high-risk sectors. CHRB has been under the control of the World Benchmarking Alliance since 2021;
- The Centre for Sport and Human Rights (CSHR); A UK registered charitable company controlled by a Swiss parent non-profit association called, Centre Pour Le Sport Et Les Droits De L'Homme dedicated to creating positive outcomes for people and communities affected or impacted by sport;
- IHRB Nordic, a Danish charitable association, currently focusing on addressing human rights challenges in the built environment.

Furthermore, IHRB maintains additional in-house initiatives, with more currently in development:

- "Employer Pays Principle": The Leadership Group on Responsible Recruitment, founded in 2016, a collective action approach working to abolish all worker fees to recruitment agents worldwide by 2026 consisting of major brands, UN agencies and civil society organisations.
- "Dignity by Design": for human rights in the built environment, a collective action initiative launched in 2020.
- "Just Transitions": focusing on human rights and climate change, an evidence-based approach to the social implications of preventing climate change and building resilience.
- "Ocean and Human Rights Platform": a collaborative initiative with the Rafto Foundation for Human Rights to raise awareness of and mitigate human rights risks across ocean industries.
- "Gulf Sustain": launched in 2023 and focusing on advancing worker welfare in the Gulf Cooperation Council by centering workers' rights as an enabler of the green transition.

IHRB undertakes the vast majority of its work through the support of donations and grants but a small amount around £39k in 2023 (around £42k in 2022) is provided in the form of services to governments and non-profit organisations through the subsidiary IHRB Trading Ltd.

How our activities deliver public benefit

The public benefit delivered is through the realisation of human rights by both governments and businesses through the protection of rights (in the case of the former), the integration of human rights due diligence in business world-wide and the promotion of remedies for the victims of human rights abuse.

In setting and reviewing our objectives and aims, and in planning and carrying out our activities, we have due regard to the public benefit guidance published by the Charity Commission.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During 2023, highlights of IHRB's activities and achievements included:

During 2023, IHRB continued to work both thematically and geographically towards its stated objectives to make respect for human rights part of everyday business worldwide through shaping policy, advancing practice, and strengthening accountability. The major areas of work are set out below.

Ending Modern Slavery and Fighting Worker Exploitation

Much of IHRB's work combating Modern Slavery focuses on the rights of migrant workers and the issue of recruitment fees. Migrant workers are frequently charged large recruitment fees to secure employment abroad. This practice is deeply embedded and entrenched. To pay these charges workers take on debt against the promise of well-paid work abroad. Flawed recruitment practices, false promises of potential earnings and sometimes illegal practices mean workers find themselves unable to cover the costs of their recruitment and vulnerable to a range of further exploitations. Many of these workers are employed in the supply chains of international brands. Civil society, customers and investors are placing greater expectations on business to prevent exploitation. Governments too have introduced business-focussed Anti-Slavery and Due Diligence legislation. Recruitment is strategically positioned as an integral part of the responsible business agenda.

The IHRB Leadership Group for Responsible Recruitment was one of the first multi-stakeholder initiatives to give the issue of fees greater prominence and to raise awareness and drive change. All corporate members of the Group are committed to The Employer Pays Principle (EPP) with a public policy that prohibits workers from being charged recruitment fees. When the Group started this was unique. As the issue gained attention more companies developed these policies. Whilst this is welcome, recruitment agencies still report a lack of demand for recruitment based on EPP. It seems that there was no true picture of the market for responsible recruitment and a disconnect between those offering EPP recruitment services and companies professing to want to use that model.

To address this and improve transparency and accountability the IHRB Migrant Workers Programme developed the Responsible Recruitment Register. It lists companies with a public policy that prohibits the charging of recruitment fees to workers. Through the example of peers and competitors it also encourages others to develop similar policies. By Oct 2023 IHRB had reviewed 565 companies and found 211 (37.3%) had a no-fees policy. Our aim is to increase the number of companies with compliant policies, which will help build the market for responsibly recruited labour and decrease the number of workers being exploited.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023**

Another focus area for the Migrant Workers Programme is the increasing demand for female labour abroad, notably in garment manufacturing, agriculture and food processing, hospitality, care/domestic work and electronics sectors. For many women migrant workers exploitation and abuse are common experiences both pre-departure, in transit and at employment in destination countries. Challenges include lack of access to reliable information which increases the risk of exploitation, financial hardship associated with the payment of fees, or resorting to irregular migration to avoid costs. On arrival women face a gendered labour market, wage inequality, and multiple intersections of discrimination based on race, ethnicity, sexuality, caste, age, nationality and migration status. Women migrant workers' freedom of movement and association is frequently restricted. They often experience gender-based violence from employers, and are unable to access advice, healthcare and justice. Social isolation, including long-term separation from children is common, alongside the pressure of being the main earner for extended family. On their return, women can experience discrimination for having challenged established gender norms and can find themselves without work or personal savings. Gender-responsive initiatives can better protect women and reduce their vulnerabilities. Ensuring the IHRB Migrant Worker Programme reflects these realities is therefore crucial.

In 2023 the IHRB Migrant Worker Programme undertook a gender review of our key foundational framework The Dhaka Principles for Migration with Dignity. We added a considerable number of additional points on the challenges women migrant workers may face into our implementation guidance for the principles. We also undertook a specific research project on the particular challenges faced by women migrant workers during recruitment. Both these pieces of work were launched on international Women's Day 8th March 2024. IHRB now plans a programme of activities over the next two years to promote greater understanding of the challenges faced by women migrant workers and how they might be addressed.

Just Transition

IHRB started its work on Just Transition in 2020 with a scoping report and then the 2021 Wilton Park meeting which set out a number of 'quality control' considerations for the work moving forward. In 2023, a significant area of focus was Just Energy Transition Partnerships (JETPs).

JETPs require far greater understanding of the policy, practice, and accountability implications of JETP formation and investment planning in each country, particularly regarding the role of business and industry. We believe that without greater alignment of economic actors' roles in supporting and delivering on the "J" in JETP, this model's vision of decarbonisation-as-development will fall short, risking societal and community backlash, and undermining net-zero imperatives. Moreover, because of JETP's vanguard status, there is a huge amount to learn from the progress each country has made so far in delivering on the justice-related dimensions of transition strategies, in a very short period of time, and also the challenges each country is working through in real time. These learnings will be useful to developed nations and any other country looking to secure a major climate finance deal with strong social commitments.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023**

IHRB's JETP work proposes research and engagement in three JETP countries: South Africa, Indonesia, and Senegal. This would apply and expand the pilot approach IHRB has been undertaking for the last 15 months in South Africa, the first JETP country and most advanced in terms of efforts to implement the "J" in JETP in practice. Here we have been mapping the key private sector social standards (international and domestic) and analysing how they can be better mobilised by public and private policy makers in support of South Africa's three forms of justice (distributive, procedural, and restorative), which are at the centre of the country's just transition framework. We have also contextualised that standards analysis within the context of the broader electricity system in South Africa, analysing the actors, relationships, and feedback loops at play, to underscore the importance of centering justice and human rights at a systems and sectoral level to support true transformation. This has been the product of concerted relationship building and engagement with South African public policy makers, the private sector, philanthropic donors, and civil society at the forefront of South Africa's just transition efforts (see further under Prior Experience).

IHRB's approach proposes principled and pragmatic research and dialogue around the social complexities and trade-offs involved in transition, and how to meaningfully include those most affected directly in JETP planning and decision-making process. The evidence and dialogue generated in turn supports local partners and leaders driving collaboration with and capacity building of local workers, communities, indigenous peoples, and consumers in South Africa, Indonesia, and Senegal to better advocate for their rights and agency in the transition decision making process. More broadly, these learnings will also feed back into the global landscape via engagement within multilateral policy fora (UNFCCC, ILO, and other international agencies) to drive greater comparability, consistency, and accountability of net-zero transitions globally.

In terms of noteworthy accomplishments on JETPs, IHRB has in a short space of time carved out a prominent role as a "think and do" tank seeking to support the "J" in South Africa's JETP. Following an invitation from the African Climate Foundation to engage in South Africa's first Knowledge Sharing Dialogue on its JETP in 2022, IHRB has built strong relationships with ACF and a range of local actors working at the forefront of implementation, including the Presidential Climate Commission, National Business Initiative, and a range of civil society actors such as Southern Africa Resource Watch and TIPS. This has significantly deepened the value of IHRB's pilot research mapping South Africa's standards and systems at play in incentivising robust private sector engagement on the social justice dimensions of the transition. Following a successful collaboration with ACF during the 2023 New York Climate Week at the Ford Foundation offices, IHRB and ACF co-led a series of high profile convenings at COP28 in Dubai: one bringing together local leaders from South Africa and Indonesia's JETPs to share progress and lessons-learned (including in partnership with Ford Foundation); another bringing the PMU together with NBI and SARW to discuss private sector standards and systems as part of the JETP; and a third session hosted by the Presidential Climate Commission and inviting IHRB to contribute to the launch discussion around the PCC's new Just Transition Financing Mechanism.

In the case of each JETP country, IHRB will seek to establish equivalent partnerships in Indonesia and Senegal to those we've built in South Africa (and will continue to deepen). We have already begun building these foundations, as demonstrated at the successful roundtable held in September 2023 at the Ford offices during New York Climate Week bringing together leaders from three JETP country Secretariats - South Africa, Indonesia, and Senegal - and establishing new local relationships for IHRB to build moving forward, including with ICEL, KSBSI, CPI, and ViriyaENB in Indonesia and Enda Energie and IDDRI in Senegal.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023**

The role of the IPG governments is also of keen interest to IHRB's research and engagement questions, and we bring established relationships and promising foundations with each of the IPG partner countries. Additionally, we will leverage our global partners, who also have presence and influence with each government, including but not limited to the ITUC and ILO, OHCHR, the Government of Switzerland, financial institutions such as the World Bank, IFC, EBRD, and civil society organisations such as the WBA/CHRB (which IHRB co-founded), BHRRC, and LSE's Grantham Institute, amongst many others.

The Built Environment

Climate change and social inequality are two of the most pressing challenges of our time. Buildings and construction contribute 37% of global energy-related carbon emissions, and cities are often where people experience the most severe impacts of climate change, rising living costs, and socio-economic inequalities. These are global issues: complex, systemic, and entangled. Ever-more frequent extreme weather events are disproportionately affecting vulnerable families in inadequate housing, and marginalised communities are losing their jobs when finite resources dry up. This fuels global instability and polarisation, with negative consequences for governments, businesses, people, and the planet. Around the world, the past ten years have seen an increase in green policies and funding across all sectors. Global investment in the energy efficiency of buildings alone has reached US \$285 billion in 2022, but climate action, like any other intervention, is not neutral. Efforts to address the climate crisis will inevitably affect people differently depending on existing power structures, often rooted in historical, structural inequality.

In 2022, IHRB started a two-year research project by IHRB investigates the human rights impacts of built environment decarbonisation policies, such as renovation programmes, retrofit subsidies, or new energy-efficient buildings, focusing on the right to housing, construction worker rights, meaningful participation, and spatial justice.

Most of this work was carried out during 2023. The research is grounded in eight city case studies: Lagos (Nigeria), Prague (Czechia), Lisbon (Portugal), Melbourne (Australia), Copenhagen (Denmark), Jakarta (Indonesia), Athens (Greece), and Valparaíso (Chile). Investigating a diverse range of contexts uncovered how the dual global challenge of climate change and inequality is being tackled in different parts of the world, each with its own unique national, political, economic, and social context. The findings and recommendations for each city are available in dedicated reports available on the IHRB website.

This study uncovered inspiring examples of governments, businesses, and other actors making homes greener and more affordable or working with marginalised communities to shape climate policies. However, it also uncovered worrying trends, such as renovations leading to evictions (renovictions) and green investment displacing communities (green gentrification).

Across the four European cities, communities that are being left behind are pushing back against green initiatives. As a result, some policymakers are backtracking on their climate commitments, with disastrous consequences for the planet and for those same communities who are often at the frontlines of the climate crisis.

In Valparaíso, Jakarta, Athens, and Lagos, built environment decarbonisation policies are only beginning to translate into practice. Here, businesses and government leaders have a unique opportunity to learn from the experiences (and from the mistakes) of other cities and prioritise human rights principles when developing climate initiatives. An inclusive, participatory, and fair process helps legitimise shared goals, broaden support, and ultimately accelerate the transition.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023**

Across all eight cities, there is a clear case for putting people first to unlock and accelerate climate action in the built environment. The scale of the challenge requires systemic socio-economic transformations. To identify these, the project brought together representatives from governments, businesses, NGOs, civil society, and academia in each city to develop visions for a just transition. While each vision was unique, they all entailed a desire to respect human rights and the planet: two inseparable, mutually dependent outcomes. Decarbonisation does not conflict with reducing inequality; quite the contrary, the two can only be done in tandem. Equity and decarbonisation are not mutually exclusive, but mutually reinforcing processes.

The full report will be launched in 2024 and will be divided into four parts:

- Part I is an introduction to equity and climate in the built environment, unpacking the meaning of a 'just transition' and the four focus areas: right to housing, workers' rights, spatial equity, and participation.
- Part II focuses on the status quo of the eight cities today, presenting the human rights risks, and opportunities of their green transitions, and analysing the underlying factors.
- Part III focuses on the future, showcasing the visions for just and sustainable transitions that emerged from the cities. This chapter also includes emerging innovations from businesses, governments, and civil society that are starting to shift the way the built environment is conceived and constructed towards a more just and sustainable direction.
- Part IV focuses on the roadmap to advance just transitions in the built environment. This chapter provides 44 recommendations for governments and investors, and it concludes with three steering principles and three collective endeavours towards system change.

Oceans and Shipping

We continued to work with the Sustainable Shipping Initiative and the Rafto Foundation for Human Rights to deliver on seafarers' rights. Following on from the success of the Delivering on Seafarers' Rights Code of Conduct and accompanying self-assessment questionnaire, first published in October 2021, we continue to publish annual progress reports. The 2023 progress report can be found [here](#). Successes include that Rio Tinto has adopted the self-assessment questionnaire as one of the three pillars in their Designated Owners and Operators Standard (DOOS). RightShip continues to develop its Crew Welfare Self-Assessment Tool independently (the tool is currently being taken up by over 400 companies), while the original self-assessment questionnaire is still available for shipowners and operators to reference for their own human rights due diligence purposes.

In 2023 we co-hosted, along with Mission to Seafarers and the Rafto Foundation, a closed workshop with a group of 16 Filipino seafarers to openly discuss the problems they face in their seafaring jobs and careers. This was followed by a Chatham House Rule discussion with Filipino shipping stakeholders, including government representatives to discuss ways to address these problems. Two seafarers from the workshop then travelled from Manila to Singapore to speak at our SEAFAIRER Roundtable to summarise the discussion of the previous week. This Roundtable is a now annual event co-hosted by Rafto, SSI and Wilhelmsen Ship Management. This year's convening brought together over 60 shipping stakeholders-shipowners and operators, charterers (including commodity companies and traders), seafarers and seafarers' rights organisations - to discuss how to tackle the most pressing seafarer welfare challenges, and to review developments in the Code of Conduct implementation.

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In 2023, the roundtable also looked at issues faced by shipyard workers in Singapore, building on a similar discussion by IHRB in Singapore in 2019. We also spoke on several panels throughout the year, including in Bergen in April, in Oslo in June and in Manila in November - focussing on seafarers' rights in general and/or on the issue of recruitment fees among seafarers in particular. In May 2023 we published a research briefing on the charging of recruitment fees - a practice that is an endemic problem among seafarers globally, and that is explicitly prohibited under the Maritime Labour Convention 2006 (as amended). This quantitative research, carried out with Turtle, a maritime employment platform, gained considerable traction in the industry and allowed us to spotlight wider seafarer issues. For the first time this year the Global Forum for Responsible Recruitment included a session on shipping and recruitment fees, where speakers included Mark Dickinson, General Secretary of seafarers union Nautilus International, Ben Bailey, Director of Programme at the Mission to Seafarers, and Isabelle Rickmers, Founder and CEO of the maritime responsible recruitment platform TURTLE.

Beyond the Global Forum for Responsible Recruitment, IHRB continued to host its quarterly Responsible Shipping Dialogue, an informal group of brands, shipping companies and seafarer representatives all keen for improved and effective human rights due diligence on the transport part of the supply chain. This included bringing in guest speakers and comparing notes on integrating shipping and transport into existing supply chain code of conduct systems. We also published several podcasts and commentaries on various topics affecting seafarers, including with Pulitzer prize-winning journalist Ian Urbina. Oceans: IHRB and Rafto continued to build out the Ocean and Human Rights Platform, bringing in an additional regional partner, BlueGreen from Kerala, representing artisanal fisher communities facing loss of traditional livelihoods from coastal habitat destruction. Scoping and planning discussions took place with all regional partners, Earth Security, Ørsted, Asian Institute of Management and the Norwegian sherpa to the Prime Minister on the High-level Ocean Panel, among others, with regard to building a workstream on Blue Forest and Ocean Equity ahead of international convenings with human rights defenders and other stakeholders in Bergen and Cartagena in Q2 and Q4 2024 exploring the impact of destruction of these critical habitats (mangrove/seagrass/seaweed) not only on carbon sequestration and erosion and flooding mitigation but also on artisanal fisher traditional livelihoods.

As part of the Ocean Platform's workstream on Coastal Renewables, in October 2023, IHRB, Rafto and the Norwegian Embassy in the Philippines convened a successful multi-stakeholder dialogue in Manila on Responsible Renewables and Community Equity, convening approximately 30 representatives from regional, national and international indigenous organisations and other CSOs, energy developers, embassies, research institutions and think-tanks. The purpose was two-fold, (i) to raise awareness and advance dialogue with renewable energy companies in the Philippines about the need for trust-building and robust, on-going indigenous community engagement around impact, assessment and shared prosperity; (ii) to explore lessons from renewable energy projects and community equity in the wider region to inform current and future projects in the Philippines.

Commodities, mining, conflict and trade

During 2023, IHRB continued to deepen its work across the commodity sector to work towards better alignment between various initiatives, stronger human rights content and better multi-stakeholder governance. This is particularly important in light of the increasing demand for Energy Transition Minerals.

**REPORT OF THE TRUSTEES
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Security-related initiatives

During 2023, IHRB's Senior Advisor, Vicky Bowman, joined the board of the International Code of Conduct Association (ICoCA) for private security providers to help increase alignment with other initiatives. IHRB also worked with the US Government chair of the Voluntary Principles on Security and Human Rights, towards stronger independent government. In October 2023, IHRB convened its International Advisory Council in Copenhagen to discuss issues of responsible entry and exit from high-risk markets, as well as the global challenges to trade and de-coupling. IHRB works to encourage green energy companies to better align with these initiatives.

Alignment of mining initiatives

In 2023, IHRB joined the Initiative for Responsible Mining Assurance (IRMA) as well as the stakeholder advisory panel for the International Council on Mining and Minerals (ICMM) initiative to review alignment with the World Gold Council, CopperMark and other initiatives. IHRB's CEO also joined the investor-led 2030 Mining Commission, and IHRB's Deputy CEO became a board member of the Aluminium Stewardship Initiative. IHRB has a strong position in advancing multi-stakeholder governance and would like to see better upstream-downstream integration as well as a stronger focus on human rights throughout.

Commodity-trading

IHRB maintains its work with the Government of Switzerland on multi-stakeholder approaches to commodity trading and a strengthening of performance. A focus of this work in 2023 and into 2024 has been alignment with the Swiss Supply Chain legislation (which focuses on conflict minerals and child labour in particular) and the new reporting requirements from the European Union, in particular the Corporate Sustainability Reporting Director (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD).

Gulf Sustain

Economic diversification processes currently underway in the Gulf Cooperation Council (GCC) region provide an opportunity to advance responsible business practices in line with international standards. IHRB's regional programme, Gulf Sustain, aims to promote worker welfare in decision making spaces responsible for economic diversification and climate action in the region to ensure that green transitions in GCC countries are inclusive and account for the most vulnerable workers, including migrant workers.

In 2023, Gulf Sustain started its private sector and government engagement in the UAE and Saudi Arabia and continued its activities in Qatar. The Gulf Sustain website was also launched in 2023 as a one-stop shop for resources and announcements related to worker welfare and the green transition in the GCC region and globally.

With the growing number of opportunities across the GCC region, the Gulf Sustain team was invited to moderate discussions and speak in several events including in Doha, Riyadh and Dubai with partners and co-hosts such as the International Labour Organisation and the UN Global Compact.

After finalising stakeholder mapping exercises in Saudi Arabia, Qatar and the UAE, Gulf Sustain continued to ramp up its stakeholder outreach, engaging with more than 100 academic institutions, government representatives, business councils, civil society organisations and private sector businesses across the region.

**REPORT OF THE TRUSTEES
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At the end of 2023, Gulf Sustain also finalised its 4-year strategy (2023-2027), which provides the blueprint for the programme's objectives and activities, with a focus on advancing the inclusion of all workers in the green transition through research, convening and collaboration with diverse stakeholder groups. The 4-year strategy recognises the need for awareness raising, capacity building and the co-development of actionable tools that can fill these gaps in the region by taking a nationally and regionally contextual approach.

Defending the Defenders

IHRB conducted a pilot virtual course on business and human rights for human rights defenders (HRDs) invited by Rafto Foundation, on how HRDs can engage effectively with companies. We plan on offering a similar course in September, either coinciding with when Rafto's network meeting or with the UN Asia-Pacific Business and Human Rights Hub's annual forum in Bangkok (if so, it will be targeted at Asian HRDs) organises its network meeting. IHRB also broadcast 10 podcasts with human rights experts, practitioners, and defenders, on themes ranging from poverty, fishing communities, transition minerals from conflict-affected regions, migrant workers, corporate engagement, and factory disasters. A recurring feature of IHRB's course on business and human rights, taught at the University of Bergen in partnership with the Rafto Foundation, is that the course participants include members of civil society organisations and human rights defenders. HRDs also give lectures during the course, in which they provide inspiring examples of their work, their interactions with business, and their expectations of business.

In 2023, the course had five HRDs speaking on a diverse range of issues, including the oil sector in the Niger Delta, the political situation in Bahrain, the struggle for LGBTQI rights, and the conditions in which Dalits live in India.

Educating Future Business Leaders

IHRB delivered a 2-day mandatory Global Citizenship Seminar to 140 Masters in Management CEMS international students from London School of Economics, Norwegian School of Economics, Bergen and Aalto University Business School, Helsinki. Students came from over 25 different countries in the global north and south. IHRB, with the Rafto Foundation, has been delivering these courses at CEMS business schools since 2018. We have brought senior executives from IKEA, M+S, Unilever, Ørsted, Equinor, Yara, Stora Enso, Norwegian Pension Fund Ethics Committee and the Myanmar Centre for Responsible Business into these courses to enrich discussions and learning. Feedback from the academic directors and students remains very positive, for example, "I wanted to express my heartfelt gratitude once again for the exceptional CEMS seminar. Your emphasis on human rights, coupled with the insightful examples and knowledge you imparted, made this one of the most enriching experiences throughout my university journey." Aalto student, Jan 2024.

**REPORT OF THE TRUSTEES
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IHRB's flagship Masters Course on business and human rights, held at the University of Bergen in collaboration with the Rafto Foundation, continues to grow and attract a world-class faculty, as well as a varied and highly educated student body. The course is now taught over four weekends in a hybrid format, with two weekends in person and two virtually, with over 50 lectures given by 40 global experts, including IHRB staff, advisers, corporate executives, human rights defenders, academics, and other associates. The number of students has grown to over 50 annually (the first cohort, in 2017, was less than 20), and has included individuals from international organisations, civil society, consulting firms, law firms, and, increasingly, companies seeking to improve their human rights knowledge and due diligence capacities. Students are drawn from countries ranging from Australia, Thailand, Malaysia, India, many EU countries, the UK, the US, and Canada. This year, the course was offered from Sept to Nov 2023, and in 2024 it will be offered on similar dates. We are at an early stage of exploring offering in the United States a course similar to the kind offered in Bergen, in partnership with a major university, possibly in early 2024.

Ongoing Legacy Work With The IHRB Co-founded Organisations

IHRB has a history of working in partnership with others to establish organisations, there are five organisations which IHRB still advises on their strategic direction.

These are:

- The Myanmar Centre for Responsible Business (MCRB), based in the UK (in the process of being closed);
- El Centro Regional de Empresas y Emprendimientos Responsables (CREER), based in Bogota;
- World Benchmarking Alliance (the new home for the Corporate Human Rights Benchmark);
- The Centre for Sport and Human Rights (CSHR), based in Geneva;
- IHRB Nordic, based in Denmark.

Together with IHRB itself, these six organisations can be referred to as the "IHRB family". That said, CREER, CSHR and IHRB Nordic are fully independent legal entities with their own reporting structures and CHRB is now fully owned by the World Benchmarking Alliance. MCRB remains under the control of IHRB through MCRB Ltd.

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023**

ACHIEVEMENT AND PERFORMANCE

Fundraising activities

The Institute retains its independence from all funders and strives to operate with complete impartiality. We believe it is important that we accept funding from all major constituencies - in particular Governments, Business and Civil Society (Private Foundations) - as these represent some of the major groups involved in our work. We actively work towards an even distribution between these three sources of funding.

However, the following conditions apply to our solicitation and acceptance of funding:

- Government and Foundation funding is usually allocated to specific projects (although some donors provide core funding) but only if the Institute's impartiality is respected.
- Business funding is only accepted as core funding with no specification on how funds should be allocated.

The Institute does not provide specific services to any business in return for funding received other than for training or stakeholder representation. The Institute does sometimes undertake advisory work with governments and inter-governmental bodies on a contractual basis.

The Institute will not take money from any organisation actively engaged in deliberate abuse of human rights or the undermining of development and progress with regard to business and human rights. From 2021, an additional requirement has been for donors is to have Net-Zero carbon commitments for 2050 at the latest.

The Institute publishes its funding sources and expenditure in accordance with UK Charity law.

Donations and grants made

Donations of £150,104 (2022 - £269,521) were made by the Charity to IHRB Nordic, ICLEI, CREER, HOMEF and The Mission to Seafarers during the year.

FINANCIAL REVIEW

Financial position

The charity's financial position is shown in detail on the balance sheet.

During 2023, the charity held an average of over £1,000,000 in total reserves. Reserves predominantly comprised restricted funds, with sufficient unrestricted funding to support planned operations.

At the balance sheet date reserves of £1,131,439 were held including £382,538 of unrestricted funds.

Principal funding sources

The charity's principal funding sources are from grants and donations.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023**

FINANCIAL REVIEW

Investment policy and objectives

The Institute for Human Rights & Business Limited only uses the services of banks and other financial service providers who have a strong ethical investment and lending criteria. The Institute holds business current account and card services with The Co-operative Bank, a reserves account with Nationwide, and deposit account services with Triodos Bank. The decision to use the services of these banks was made on an ethical basis.

The cornerstones of corporate governance are ethical behaviour, accountability and openness. In recent years, corporate governance has also developed to reflect the interests of stakeholders other than shareholders. The 'triple bottom line' approach focuses on economic and financial stability, social responsibility and environmental responsibility with ethical investment policies and products.

Reserves policy

The trustees view the holding of general reserves as an integral part of risk management to build organisational resilience against unexpected financial demands, and to be able to satisfactorily meet all current and known future liabilities. The reserves level is approximately three months of working capital, with plans to increase it to cover an optimal four-month period.

Trustees and senior management monitor the financial position regularly to keep abreast of any upcoming risks that may impact on the reserves position. Trustees' approval is required before the reserve can be accessed.

This policy is reviewed periodically by the trustees, and the reserves level is adjusted based on perceived risks, and changes in financial commitments or contractual, statutory and legal obligations.

The trustees are aware that the reserves of the subsidiary IHRB Trading Limited are a deficit of £4,803 (2022 - £7,779). The company has traded profitably in recent years and is expected to return a surplus in 2024 through further trading activities.

Risk management

The trustees have identified how and where risks should be managed and mitigated.

Under duty of prudence, the trustees have ensured that: the charity is and will remain solvent; charitable funds and assets are used reasonably, and only in furtherance of the charity's objects; undertaking activities that might place the charity's funds, assets or reputation at undue risk is avoided and special care when investing the funds of the charity, or borrowing funds for the charity to use is taken into consideration.

Under duty of care, the trustees have ensured that they seek external professional advice on all matters where there may be material risk to the charity, or where the trustees may be in breach of their duties.

**REPORT OF THE TRUSTEES
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PLANS FOR FUTURE PERIODS

For the period 2024-2025, IHRB's core focus areas will include: just transitions, dignity in the built environment, responsible commodities, sustainable oceans, worker welfare and migration with dignity. Crosscutting will include a focus on how business respond to an increasingly uncertain international environment, in particular relating to different forms of local and international conflict. The human rights risks and opportunities within these areas are often interlinked, and we are deepening our systems-thinking approach to complex issues, and the best ways of developing and applying leverage through multi-stakeholder action.

Migrant Workers Programme and the Leadership Group for Responsible Recruitment

The 2024 Global Forum for Responsible Recruitment will be held in London. The Responsible Recruitment Register has grown to nearly 400 companies and the second register featuring trade and business associations and certification bodies will be launched.

Just Transitions

The UNFCCC workplan on Just Transition was agreed at COP28 in Dubai in 2023, and during 2024 IHRB leads on four areas of work to deepen awareness and 'quality control' of the importance concept globally:

- The launch of our analysis of the role of international standards within South Africa's Just Energy Transition Partnership in mid-2024, in partnership with the African Climate Foundation.
- The launch of our 'spectrum of finance' report showing the different financial mechanisms most conducive to 'just outcomes' will be launched at COP29 in Baku in November 2024 with the London School of Economics.
- The start of research for the 'Cost of Conflict' project (2024-2025) to demonstrate the potential financial implications of not factoring in social impact considerations within different forms of green energy.
- The start of the 'Just Stories' project that develops and shares narratives about climate transitions from the perspective of different affected stakeholders.

Dignity by Design - Human Rights in the Built Environment

This work of the "Building for Today and the Future" project will be published based on research in eight cities worldwide. The key insights will be shared in Brussels at a roundtable with European policymakers and stakeholder representatives in May 2024, and then formally launched the following month. The "Human Rights in the Built Environment" professional training course will be piloted in 2024, and a new phase of work on "Dignity by Design" will start mid-year, deepening application in key locations in Denmark, Spain and the UK.

Gulf Sustain

Following the programme's launch in 2023, Gulf Sustain will be deepened through events in Qatar, UAE and Saudi Arabia during 2024, progressing the interests of migrant workers through the climate agenda. During 2024 increasing emphasis will be placed on the nature of circular migration and how home country and host country activities can be better aligned, as well as stronger collaboration between the Gulf, Europe, South Asia and other global regions.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023**

Conflict-related work

IHRB will host a major event at the International Committee of the Red Cross/Red Crescent (ICRC) in October 2024 bringing together work undertaken since the meeting of IHRB's International Advisory Council in Copenhagen in 2023, including a 'Circle of Innovators' meeting to be held in Washington DC in February 2024. This includes deeper analysis into the business implications of the Russian invasion of Ukraine, Palestine/Israel, international criminal law, the role of technology in conflict, responsible exit, and business' response to forced migration.

Commodity trading and value chains

IHRB will moderate a multi-stakeholder event on behalf of the Swiss Government in early 2024 bringing together commodity traders, NGOs, cantons and government departments. IHRB will increase its interest in various governance and accountability initiatives across the commodities sector more generally with a particular in Energy Transition Minerals.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, Memorandum and Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

During 2023, the Institute had seven trustees who were responsible for the governance of the charity and ensure that IHRB pursues the objects for which it was founded. Trustees have been selected based on their professional experience and expertise.

Trustees are required to declare any possible conflicts of interest and are therefore unlikely to hold decision-making positions in mainstream business or government during their tenure with the Institute. When recruiting for a new trustee, the Board will make a selection with the aim of having a balanced, well-informed, and effective trustee body that undertakes proper governance of IHRB. Individuals who are passionate about IHRB's purpose and aims and can bring relevant experience and knowledge to enhance the effectiveness of the charity will be sought out. IHRB staff will provide a shortlist of nominations of potential trustee candidates who meet agreed criteria, to which the Board can add nominations for consideration. The IHRB CEO and Deputy CEO, in consultation with colleagues, will advise trustees on the final selection, and facilitate an invitation from the Co-Chairs of the Board to the selected candidate(s). Possible new trustees undertake a period of observer status, usually joining at least one IHRB trustee meetings before their appointment is formalised. The Board will undertake appropriate due diligence to ensure that those who have been disqualified from serving as a trustee are not approached. Additionally, consideration will be made to not making trustee appointments which would potentially give rise to conflicts of interest.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Institute for Human Rights and Business is governed by a board of trustees. Trustee meetings take place at least four times a year, usually remotely. During 2023, the board of trustee met six times. The trustees are regularly informed of financial matters, the progress of the Institute towards its charitable objects, and the success of relevant outputs and impacts relating to each of the programmes. The CEO reports to the board of trustees and runs IHRB on a day-to-day basis. The CEO and Deputy CEO consult the trustees on key and strategic decisions and ultimately manage the IHRB team.

The IHRB International Advisory Council provides guidance to trustees and staff about strategic matters and usually meet once a year. The International Advisory Council includes the Board of Trustees and members offer their time and expertise in an unpaid capacity. The other members of the IHRB International Advisory Council have been selected for their global expertise in all areas of business and human rights. All Council members are distinguished in their relevant fields, and bring specialisms that inform and enrich the charity's work. IHRB aims to have representation from all sectors - business, academia, research and civil society - and strives for the Council to be as diverse and representative as possible in terms of gender, ethnicity, age, as well as professional background and skills.

The CREER Centre is independently registered under Colombian law and sits outside of the direct control of IHRB or its Trustees. The IHRB CEO and Deputy CEO are represented on the CREER Board. The Myanmar Centre for Responsible Business is registered in the UK as MCRB Ltd with a branch office in Myanmar which is in the process of being closed, and two IHRB trustees sit on the Board of MCRB Ltd, as well as the IHRB CEO. The Centre for Sport and Human Rights became an independent entity in 2021, with IHRB as one of 7 founding members, represented by one IHRB trustee and the Deputy CEO. IHRB Nordic is registered as a charitable association in Denmark, and IHRB is one of two members, and the CEO and the Senior Advisor (Special Programmes) sit on the Board.

IHRB annually reviews the salary levels for its core team using the job market in order to be competitive with professional roles in the international NGO sector. Pay reflects the need to attract and retain staff with the leadership, experience, skills and knowledge required to contribute to the work of a dynamic and influential charity. Salary levels also reflect responsibilities and performance. Employees are paid with a salary at least in line with guidance from the Campaign for a Living Wage.

In total, across the "IHRB family" of organisations, there are now 30 staff worldwide. The Institute's core staff and consultants during 2023 were:

Julia Batho (Deputy CEO)

Vanessa Bissessur (Chief Operating Officer)

Vicky Bowman (Director, Myanmar Centre for Responsible Business, IHRB Senior Advisor)

Denise Derbyshire (Administrator)

Francesca Fairbairn (Oceans and Commodities Manager)

Frances House (Senior Advisor, Special Programmes)

Scott Jerbi (Senior Advisor, Policy and Outreach)

Kathy McLeish (Governance Officer)

John Morrison (CEO)

Carmen Pedraza (Communications Officer, Migrant Workers programme)

Rakesh Ranjan (South Asia Regional Coordinator)

Alejandra Rivera (Programme Manager, Built Environment (Global)

Deborah Sagoe (Communications Officer)

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Annabel Short (Senior Advisor, Built Environment)

Haley St Dennis (Head of Just Transitions)

Guna Subramaniam (South East Asia Regional Advisor, Migrant Workers Programme)

Salil Tripathi (Senior Advisor, Global Issues)

Neill Wilkins (Head of Migrant Workers programme)

In addition, the Institute currently has fifteen Research Fellows.

Mary Robinson and Chris Marsden are Patrons of IHRB. The members of the International Advisory Council during 2023 were Margot Wallstrom, Rae Lindsay, Anita Ramasastry, Mark Taylor, Isabel Hilton, Vasuki Shastri, Sanyu Awori, Morten Kjaerum, Vicky Bowman, Luis Fernando de Angulo, Sharan Burrows, and Maria Vassilakou.

All IHRB Trustees are also members of the International Advisory Council.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06882940 (England and Wales)

Registered Charity number

1131790

Registered office

Railview Lofts
19c Commercial Road
Eastbourne
East Sussex
BN21 3XE

Trustees

D L Kemp
R J D Popper
N Black
P Goyer
R Kunanayagam
D D'Ambrosio
D Khan

Auditors

Myrus Smith
Statutory Auditors
Norman House
8 Burnell Road
Sutton
Surrey
SM1 4BW

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023**

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Co-Operative Bank
PO Box 250
Delf House
Skelmerdale
WN8 6WT

Accountants

LMDB Accountants
Railview Lofts
19c Commercial Road
Eastbourne
East Sussex
BN21 3XE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Institute For Human Rights & Business Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 those 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 auditors are unaware; and
- 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 auditors are aware of that information.

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023**

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 26 July 2024 and signed on its behalf by:

N Black - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

Opinion

We have audited the financial statements of Institute For Human Rights & Business Limited (the 'parent charitable company') and its subsidiaries (The 'Group') for the year ended 31 December 2023 which comprise the Group Statement of Financial Activities, the Group and the Parent Charitable Company Balance Sheet, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of 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 2023 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INSTITUTE FOR HUMAN RIGHTS & BUSINESS LIMITED

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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Trustees, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements;
- and the directors' report included within the Report of the Trustees 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Report of the Trustees.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the parent 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's and the 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.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance about actual and potential litigation or claims and the identification of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including testing journal entries and other adjustments for appropriateness.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Professional scepticism in course of the audit and with audit sampling in material audit areas.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the group and parent 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 group and parent charitable company's members those matters we are required to state to them in an auditors' 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 group and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kevin Fisher FCA (Senior Statutory Auditor)
for and on behalf of Myrus Smith
Statutory Auditors
Norman House
8 Burnell Road
Sutton
Surrey
SM1 4BW

Date: 29 July 2024

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023**

		Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	877,171	1,235,137	2,112,308	2,442,793
Commercial trading operations	4	39,138	-	39,138	42,307
Investment income	5	<u>7,694</u>	<u>-</u>	<u>7,694</u>	<u>1,540</u>
Total		<u>924,003</u>	<u>1,235,137</u>	<u>2,159,140</u>	<u>2,486,640</u>
EXPENDITURE ON					
Raising funds	6	17,041	-	17,041	8,987
Commercial trading operations		36,163	-	36,163	37,180
Charitable activities	8				
Migrant workers and work with dignity		702,305	460,489	1,162,794	963,853
Myanmar Centre for Responsible Business		1,382	264,426	265,808	734,668
HRD and Discrimination		127,364	-	127,364	98,286
Shipping, Oceans and Commodities		163,116	94,389	257,505	300,122
Built Environment		94,807	507,212	602,019	552,301
Just Transition		126,576	152,182	278,758	249,537
UDHR75 Event		<u>4,171</u>	<u>42,959</u>	<u>47,130</u>	<u>-</u>
Total		<u>1,272,925</u>	<u>1,521,657</u>	<u>2,794,582</u>	<u>2,944,934</u>
NET INCOME/(EXPENDITURE)		(348,922)	(286,520)	(635,442)	(458,294)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>731,460</u>	<u>1,035,421</u>	<u>1,766,881</u>	<u>2,225,175</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>382,538</u></u>	<u><u>748,901</u></u>	<u><u>1,131,439</u></u>	<u><u>1,766,881</u></u>

CONTINUING OPERATIONS

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The notes form part of these financial statements

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED (REGISTERED NUMBER: 06882940)**

**CONSOLIDATED BALANCE SHEET
31 DECEMBER 2023**

	Notes	Consolidated 2023 £	Consolidated 2022 £	Charity 2023 £	Charity 2022 £
FIXED ASSETS					
Tangible assets	15	2,203	411	2,203	411
Investments	16	-	-	2	2
		2,203	411	2,205	413
CURRENT ASSETS					
Debtors: amounts falling due within one year	17	656,646	805,152	689,016	832,973
Cash at bank		1,539,245	1,265,411	1,496,131	1,234,227
		2,195,891	2,070,563	2,185,147	2,067,200
CREDITORS					
Amounts falling due within one year	18	(1,066,655)	(304,093)	(1,064,273)	(309,718)
NET CURRENT ASSETS		1,129,236	1,766,470	1,120,874	1,757,482
TOTAL ASSETS LESS CURRENT LIABILITIES		1,131,439	1,766,881	1,123,079	1,757,895
NET ASSETS		1,131,439	1,766,881	1,123,079	1,757,895
FUNDS	19				
Unrestricted funds		382,538	731,460	374,178	722,475
Restricted funds		748,901	1,035,421	748,901	1,035,420
TOTAL FUNDS		1,131,439	1,766,881	1,123,079	1,757,895

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 26 July 2024 and were signed on its behalf by:

N Black - Trustee

The notes form part of these financial statements

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	<u>269,202</u>	<u>(691,813)</u>
Net cash provided by/(used in) operating activities		<u>269,202</u>	<u>(691,813)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(3,062)	-
Interest received		<u>7,694</u>	<u>1,540</u>
Net cash provided by investing activities		<u>4,632</u>	<u>1,540</u>
Cash flows from financing activities			
(Increase)/Decrease in group debtors		<u>-</u>	<u>-</u>
Net cash provided by financing activities		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		273,834	(690,273)
Cash and cash equivalents at the beginning of the reporting period		<u>1,265,411</u>	<u>1,955,684</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,539,245</u></u>	<u><u>1,265,411</u></u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(635,442)	(458,294)
Adjustments for:		
Depreciation charges	1,270	1,515
Interest received	(7,694)	(1,540)
Decrease/(increase) in debtors	148,506	(214,048)
Increase in creditors	<u>762,562</u>	<u>(19,446)</u>
Net cash provided by/(used in) operations	<u><u>269,202</u></u>	<u><u>(691,813)</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.23 £	Cash flow £	At 31.12.23 £
Net cash			
Cash at bank	<u>1,265,411</u>	<u>273,834</u>	<u>1,539,245</u>
	<u>1,265,411</u>	<u>273,834</u>	<u>1,539,245</u>
Total	<u><u>1,265,411</u></u>	<u><u>273,834</u></u>	<u><u>1,539,245</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. STATUTORY INFORMATION

Institute for Human Rights & Business Limited is a private company, limited by guarantee, registered in England and Wales.

The company's registered office address is:
Railview Lofts
19c Commercial Road
Eastbourne
East Sussex
BN21 3XE

The presentation currency of the financial statements is the Pound Sterling (£).

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic Ireland', the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice. The financial statements have been prepared under the historical cost convention.

Preparation of the accounts on a going concern basis

The trustees are not aware of any material uncertainties about the charity's ability to continue as a going concern.

The significant accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all years presented unless otherwise stated.

Preparation of consolidated financial statements

The group financial statements consolidate the results of the charity and its wholly owned subsidiaries on a line-by-line basis. As permitted by Section 408 of the Companies Act, no separate statement of financial activities is presented in respect of the parent charitable company.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grant income is recognised when there is formal offer of funding communicated in writing to the charity which does not relate wholly to future accounting periods.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. ACCOUNTING POLICIES - continued

Income

The value of donated services are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the charity can be reliably measured. An equivalent amount will be included as expenditure under the relevant heading in the Statement of Financial Activities.

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Allocation and apportionment of costs

All costs are allocated between expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned according to time spent on each activity during the period.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 33% on cost

Tangible fixed assets, excluding investments are initially measured at cost and subsequently stated at depreciated historic cost.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. ACCOUNTING POLICIES - continued

Fund accounting

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Pension costs are allocated to activities on the same basis as set out in the allocation and apportionment of costs policy stated above. Pension costs and liabilities are allocated to restricted and unrestricted reserves based on the allocation of labour time to the charities various funds.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the charity becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and are initially measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due. Cash and cash equivalents are classified as basic financial instruments and comprise cash at bank and short-term bank deposits with an original maturity of three months or less which are an integral part of the charity's cash management.

Financial liabilities issued by the company are classified in accordance with the substance of the contractual arrangements entered into and meet the definitions of a financial liability.

Financial assets are de-recognised when:

- the contractual rights to the cash flows from the financial asset expire or are settled; or
- the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the charity despite having retained some but not all significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are de-recognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments in subsidiaries

Investments in group companies are stated at cost less any identified impairment. An impairment review is undertaken annually by the trustees.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

3. DONATIONS AND LEGACIES

	2023	2022
	£	£
Business donations	611,075	835,301
Foundation grants	780,337	895,769
Government grants	<u>720,896</u>	<u>711,723</u>
	<u>2,112,308</u>	<u>2,442,793</u>

Grants recognised as income included multi-year grants for the Myanmar Centre For Responsible Business, the Migrant Workers, Built Environment, Just Transition and Shipping, Oceans and Commodities programmes. Income is recognised in the year in which the grants were agreed whilst the grant funding was for various periods ending up to 2 January 2026.

4. COMMERCIAL TRADING ACTIVITIES

	2023	2022
	£	£
Consultancy	<u>39,138</u>	<u>42,307</u>

5. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	<u>7,694</u>	<u>1,540</u>

6. RAISING FUNDS

Raising donations and legacies	2023	2022
	£	£
Staff costs	7,207	3,818
Insurance	504	445
Telephone	218	170
Postage and stationery	13	6
Sundries	215	102
Bank charges	19	159
Consultancy	2,858	2,040
Training	83	53
Website	464	181
Office rent	215	113
IT expenses	346	178
Accountancy and back office support	1,263	820
Travel and accommodation	2,727	1,149
Exchange rate variances	876	(279)
Depreciation	<u>33</u>	<u>31</u>
	<u>17,041</u>	<u>8,987</u>

Raising funds are a support cost of the charity.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

7. SUBSIDIARY INCOME AND COSTS

The wholly owned trading subsidiaries IHRB Trading Ltd and Myanmar Centre for Responsible Business Limited are both incorporated in the United Kingdom and pay all of their distributable profits to the parent charity by gift aid. The parent charity owns the entire share capital in each subsidiary, being 1 ordinary share of £1 for each company. A summary of the trading results whilst part of the group is shown below.

IHRB Trading Ltd	2023	2022
	£	£
Turnover	39,138	42,307
Other income	-	-
Administration and other costs	<u>(36,162)</u>	<u>(37,180)</u>
Operating profit/(loss)	<u>2,976</u>	<u>5,127</u>
Net income	2,976	5,127
Amount gift aided to the charity	<u>-</u>	<u>-</u>
Retained in subsidiary	<u>2,976</u>	<u>5,127</u>

As at December 2023, IHRB Trading Ltd had net liabilities of £4,802 (2022 - £7,778). This comprised assets of £34,943 (2022 - £47,379) and liabilities of £39,745 (2022 - £55,157).

Myanmar Centre for Responsible Business Limited	2023	2022
	£	£
Turnover	104,743	418,063
Other income	-	-
Administration and other costs	<u>(104,743)</u>	<u>(418,063)</u>
Operating profit/(loss)	<u>-</u>	<u>-</u>
Net income	-	-
Amount gift aided to the charity	<u>-</u>	<u>-</u>
Retained in subsidiary	<u>-</u>	<u>-</u>

As at December 2023, Myanmar Centre for Responsible Business Limited had net assets of £1 (2022 - £1). This comprised assets of £22,367 (2022 - £27,581) and liabilities of £22,366 (2022 - £27,580).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

7. SUBSIDIARY INCOME AND COSTS – continued

IHRB USA	2023 £	2022 £
Turnover	-	-
Other income	-	-
Administration and other costs	<u>(627)</u>	<u>902</u>
Operating profit/(loss)	<u>(627)</u>	<u>902</u>
Net income	(627)	902
Amount gift aided to the charity	<u>-</u>	<u>-</u>
Retained in subsidiary	<u>(627)</u>	<u>902</u>

As at December 2023, IHRB USA had net assets of £8,360 (2022 - £8,987). This comprised assets of £8,360 (2022 - £8,987) and liabilities of £Nil (2022 - £Nil).

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 9) £	Support costs (see note 10) £	Totals £
Migrant workers and work with dignity	849,015	-	313,779	1,162,794
Myanmar Centre for Responsible Business	190,514	-	75,294	265,808
HRD and Discrimination	83,653	-	43,711	127,364
Shipping, Oceans and Commodities	134,787	56,189	66,529	257,505
Built Environment	374,362	93,915	133,742	602,019
Just Transition	216,369	-	62,389	278,758
UDHR75 Event	<u>42,809</u>	<u>-</u>	<u>4,321</u>	<u>47,130</u>
	<u>1,891,509</u>	<u>150,104</u>	<u>699,765</u>	<u>2,741,378</u>
Comparatives for the year ended 31 December 2022:				
Totals	<u>£ 1,957,388</u>	<u>£ 269,521</u>	<u>£ 671,858</u>	<u>£ 2,898,767</u>

Direct costs comprise staff costs of £634,448 (2022 - £1,074,285) and other direct costs of £1,257,061 (2022 - £883,103).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

9. GRANTS PAYABLE

	2023	2022
	£	£
Myanmar Centre for Responsible Business	-	14,538
Shipping, Oceans and Commodities	56,189	-
Built Environment	93,915	216,941
Just Transition	-	38,042
	<u>150,104</u>	<u>269,521</u>

The total grants paid to institutions during the year was as follows:

	2023	2022
	£	£
IHRB Nordic	93,915	168,255
Yever	-	14,539
CREER	27,593	38,042
ICLEI	-	48,685
Mission to Seafarers	1,200	-
HOMEF	<u>27,396</u>	<u>-</u>
	<u>150,104</u>	<u>269,521</u>

10. SUPPORT COSTS

	Management	Finance	Information technology	Governance costs	Totals
	£	£	£	£	£
Migrant workers and work with dignity	290,806	354	20,064	2,555	313,779
Myanmar Centre for Responsible Business	59,697	103	12,738	2,756	75,294
HRD and Discrimination	40,476	50	2,841	344	43,711
Shipping, Oceans and Commodities	61,604	77	4,324	524	66,529
Built Environment	123,851	154	8,685	1,052	133,742
Just Transition	57,770	72	4,056	491	62,389
UDHR75 Event	<u>4,001</u>	<u>5</u>	<u>281</u>	<u>34</u>	<u>4,321</u>
	<u>638,205</u>	<u>815</u>	<u>52,989</u>	<u>7,756</u>	<u>699,765</u>

Comparatives for the year ended 31 December 2022:

	£	£	£	£	£
Totals	<u>610,900</u>	<u>7,712</u>	<u>45,881</u>	<u>7,365</u>	<u>671,858</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

10. SUPPORT COSTS – continued

Support costs comprise staff costs of £276,559 (2022 - £196,901) and other costs of £423,206 (2022 - £474,957).

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Auditors' remuneration	7,756	7,365
Audit of trading subsidiaries	2,015	1,800
Depreciation - owned assets	<u>1,270</u>	<u>1,515</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2023 nor for the year ended 31 December 2022.

Trustees' expenses

During the year two trustees (2022 - none) were reimbursed expenses as follows:

	2023	2022
	£	£
Travel expenses	<u>442</u>	<u>-</u>

13. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	694,352	1,081,785
Social security costs	69,481	65,400
Other pension costs	<u>154,381</u>	<u>127,819</u>
	<u>918,214</u>	<u>1,275,004</u>

The key management personnel of the charity comprise the trustees, the Chief Executive Officer and his deputy (employee up to August 2023). The total employee benefits of the key management personnel of the charity were £252,580 (2022 - £337,126).

The deputy CEO started to work as a consultant from September 2023 and was paid of £42,536 during the year.

Under FRS 102, employee benefits include gross salary, benefits in kind, employer's social security and employer pension costs.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

13. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	2023	2022
Staff	<u>20</u>	<u>30</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
£60,001 - £70,000	-	2
£70,001 - £80,000	1	1
£100,001 - £110,000	-	1
£140,001 - £150,000	<u>1</u>	<u>1</u>
	<u>2</u>	<u>5</u>

Retirement benefits are accruing to two employees (2022 - five) earning over £60,000 per annum. The total pension contributions paid in respect of said employees was £28,321 for the year ended 31 December 2023 (2022 - £69,799).

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,140,573	1,302,220	2,442,793
Commercial trading operations	42,307	-	42,307
Investment income	<u>1,540</u>	<u>-</u>	<u>1,540</u>
Total	<u>1,184,420</u>	<u>1,302,220</u>	<u>2,486,640</u>
EXPENDITURE ON			
Raising funds	8,987	-	8,987
Commercial trading operations	37,180	-	37,180
Charitable activities			
Migrant workers and work with dignity	399,745	564,108	963,853
Myanmar Centre for Responsible Business	11,456	723,212	734,668
HRD and Discrimination	98,286	-	98,286
Shipping, Oceans and Commodities	218,276	81,846	300,122
Built Environment	135,490	416,811	552,301
Just Transition	<u>143,166</u>	<u>106,371</u>	<u>249,537</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

Total	<u>1,052,586</u>	<u>1,892,348</u>	<u>2,944,934</u>
NET INCOME/(EXPENDITURE)	131,834	(590,128)	(458,294)
RECONCILIATION OF FUNDS			
Total funds brought forward	599,626	1,625,549	2,225,175
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS CARRIED FORWARD	<u>731,460</u>	<u>1,035,421</u>	<u>1,766,881</u>

15. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Computer equipment £
COST	
At 1 January 2023	11,125
Additions	<u>3,062</u>
At 31 December 2023	<u>14,187</u>
DEPRECIATION	
At 1 January 2023	10,714
Charge for year	<u>1,270</u>
At 31 December 2023	<u>11,984</u>
NET BOOK VALUE	
At 31 December 2023	<u>2,203</u>
At 31 December 2022	<u>411</u>

Fixed assets are not capitalised below the value of £250.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

16. FIXED ASSET INVESTMENTS – CHARITY

	Shares in group undertakings £
MARKET VALUE	
At 1 January 2023 and 31 December 2023	<u>2</u>
NET BOOK VALUE	
At 31 December 2023	<u>2</u>
At 31 December 2022	<u>2</u>

The above shares in group undertakings represent investment assets held in the UK. In addition, the company is a member of one company incorporated in the USA without share capital.

The company's investments at the balance sheet date in the share capital of companies include the following:

IHRB Trading Limited

Registered office: Railview Lofts, 19C Commercial Road, Eastbourne, East Sussex, BN21 3XE

Nature of business: Consultancy Services

	% holding	2023 £	2022 £
Class of share:			
Ordinary	100		
Aggregate capital and reserves		(4,802)	(7,778)
Profit for the year		<u>2,976</u>	<u>5,127</u>

Myanmar Centre For Responsible Business Limited

Registered office: Railview Lofts, 19C Commercial Road, Eastbourne, East Sussex, BN21 3XE

Nature of business: Consultancy Services

	% holding	2023 £	2022 £
Class of share:			
Ordinary	100		
Aggregate capital and reserves		1	1

IHRB USA

Country of incorporation: USA

Nature of business: Charity

The above company is incorporated without share capital, with the Institute For Human Rights and Business being the sole member.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

16. FIXED ASSET INVESTMENTS – continued

	2023	2022
	£	£
Aggregate capital and reserves	8,360	8,987
Surplus / (Deficit) for year	<u>(627)</u>	<u>902</u>

17. DEBTORS – GROUP AND CHARITY

AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023	Group 2022	Charity 2023	Charity 2022
	£	£	£	£
Trade debtors	397,181	258,062	397,181	228,112
Other debtors	19	4,062	-	2,887
Amounts owed by group undertakings	-	-	33,290	58,946
Accrued income	245,704	528,992	244,803	528,992
Prepayments	<u>13,742</u>	<u>14,036</u>	<u>13,742</u>	<u>14,036</u>
	<u>656,646</u>	<u>805,152</u>	<u>689,016</u>	<u>832,973</u>

18. CREDITORS: GROUP AND CHARITY

AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023	Group 2022	Charity 2023	Charity 2022
	£	£	£	£
Trade creditors	34,765	116,160	33,524	114,100
Social security and other taxes	38,387	29,283	19,307	18,931
Other creditors	13,933	14,530	13,933	14,529
Accrued expenses	29,193	27,450	47,132	45,488
Deferred Income	856,699	25,322	856,699	25,322
Grants payable	<u>93,678</u>	<u>91,348</u>	<u>93,678</u>	<u>91,348</u>
	<u>1,066,655</u>	<u>304,093</u>	<u>1,064,273</u>	<u>309,718</u>

Deferred grant income brought forward from 2022 of £25,322 has been released during the year.

Deferred income as at 31 December 2023 includes grant funding received in the period of £856,699. The grants have been made for activities in 2024.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

19. MOVEMENT IN FUNDS

	At 1.1.23 £	Net movement in funds £	Transfers between funds £	At 31.12.23 £
Unrestricted funds				
General fund	131,460	(348,922)	300,000	82,538
Contingency reserve	<u>600,000</u>	<u>-</u>	<u>(300,000)</u>	<u>300,000</u>
	731,460	(348,922)	-	382,538
Restricted funds				
Migrant workers and work with dignity	463,730	(247,566)	-	216,164
Myanmar Centre for Responsible Business	86,193	36,453	-	122,646
Built Environment	341,155	(85,126)	-	256,029
Shipping, Oceans and Commodities	9,998	138,948	-	148,946
Just Transition	<u>134,345</u>	<u>(129,229)</u>	<u>-</u>	<u>5,116</u>
	<u>1,035,421</u>	<u>(286,520)</u>	<u>-</u>	<u>748,901</u>
TOTAL FUNDS	<u><u>1,766,881</u></u>	<u><u>(635,442)</u></u>	<u><u>-</u></u>	<u><u>1,131,439</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	924,003	(1,272,925)	(348,922)
Restricted funds			
Migrant workers and work with dignity	212,923	(460,489)	(247,566)
Myanmar Centre for Responsible Business	300,879	(264,426)	36,453
Built Environment	422,086	(507,212)	(85,126)
Shipping, Oceans and Commodities	233,337	(94,389)	138,948
Just Transition	22,953	(152,182)	(129,229)
UDHR75	<u>42,959</u>	<u>(42,959)</u>	<u>-</u>
	<u>1,235,137</u>	<u>(1,521,657)</u>	<u>(286,520)</u>
TOTAL FUNDS	<u><u>2,159,140</u></u>	<u><u>(2,794,582)</u></u>	<u><u>(635,442)</u></u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General fund	99,626	131,834	(100,000)	131,460
Contingency reserve	<u>500,000</u>	<u>-</u>	<u>100,000</u>	<u>600,000</u>
	599,626	131,834	-	731,460
Restricted funds				
Migrant workers and work with dignity	803,387	(339,657)	-	463,730
Myanmar Centre for Responsible Business	560,869	(474,676)	-	86,193
Built Environment	261,293	79,862	-	341,155
Shipping, Oceans and Commodities	-	9,998	-	9,998
Just Transition	<u>-</u>	<u>134,345</u>	<u>-</u>	<u>134,345</u>
	<u>1,625,549</u>	<u>(590,128)</u>	<u>-</u>	<u>1,035,421</u>
TOTAL FUNDS	<u><u>2,225,175</u></u>	<u><u>(458,294)</u></u>	<u><u>-</u></u>	<u><u>1,766,881</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,184,420	(1,052,586)	131,834
Restricted funds			
Migrant workers and work with dignity	224,451	(564,108)	(339,657)
Myanmar Centre for Responsible Business	248,536	(723,212)	(474,676)
Built Environment	496,673	(416,811)	79,862
Shipping, Oceans and Commodities	91,844	(81,846)	9,998
Just Transition	<u>240,716</u>	<u>(106,371)</u>	<u>134,345</u>
	<u>1,302,220</u>	<u>(1,892,348)</u>	<u>(590,128)</u>
TOTAL FUNDS	<u><u>2,486,640</u></u>	<u><u>(2,944,934)</u></u>	<u><u>(458,294)</u></u>

Unrestricted funds represent monies given to the charity without restrictions.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

19. MOVEMENT IN FUNDS - continued

The trustees have a reserves policy of keeping approximately 3 months of working capital in reserves. Unrestricted reserves held as at 31 December 2023 are broadly in line with the policy. As an extension to the policy, £300,000 of unrestricted reserves have been designated as a contingency reserve. The charity is not able to access these funds without trustees prior approval.

Restricted funds represent monies given to the charity for a particular activity as follows:

Migrant Workers and Work with Dignity: Strengthening protection of migrant worker rights and examining the responsibilities of recruitment agencies.

Myanmar Centre For Responsible Business: An initiative to encourage responsible business activities throughout Myanmar.

High Risk Markets: Programme related specifically to responsible business conduct in high-risk environments, which includes the role that investors, local companies and governments should play.

Shipping, Oceans and Commodities: Identifying and developing human rights lifecycle and principles relating to Maritime Sector and work on the extractive sector aiming to embed the protection of and respect for human rights, transparency, and accountability.

Built Environment: Exploring the extent to which built environment promotes, threatens or diminishes human dignity

Human Rights Defenders and Discrimination: Protecting human rights defenders and challenging business and discriminatory practices.

Just Transition: Visible framing for government and business action on climate change.

UDHR75: Festival of Human Rights - 75 Years of the Universal Declaration of Human Rights

20. CONTINGENT LIABILITIES

The company is aware of a liability owed to the Myanmar tax authorities in respect of staffing which at present it is unable to reliably calculate.

The contingent liability relates to periods up to 31 March 2022 and is currently estimated as £24,549. The company is seeking to confirm the exact amount and settle any balance due.

21. EMPLOYEE BENEFIT OBLIGATIONS

The charity contributed to defined contribution pension schemes for all of the employees during the period. Contributions of £154,381 (2022 - £127,819) have been charged to the Statement of Financial Activities for the period under review. As at 31 December 2023 there were unpaid contributions of £13,192 (2022 - £13,315).

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

22. RELATED PARTY DISCLOSURES

IHRB Trading Limited

Subsidiary company

As at 31 December 2023 the subsidiary owed the charity £33,724 (2022 - £51,224). An impairment loss has been provided on the loan of £4,802 (2022 - £7,778). The loan by the charity has no fixed repayment term and is interest free.

Staff costs of £2,940 (2022 - £4,271) were recharged by parent charitable company to its subsidiary during the year.

Myanmar Centre For Responsible Business Limited

Subsidiary company

The balance due from the subsidiary at the balance sheet date was £4,368 (2022 - £15,500). This loan to the subsidiary has no fixed repayment term and is interest free.

Expenses of £104,743 (2022 - £418,063) were recharged by the subsidiary to the charity during the year.

There were no other related party transactions for the year requiring disclosure.

23. CONTINGENT ASSETS

The charity has been awarded grants totalling £1,651,994 (2022 - £564,740), which are for time periods that commence after the balance sheet date. As the charity is presently unable to receive or expend these funds they are not recognised in income in the reporting period.

INSTITUTE FOR HUMAN RIGHTS & BUSINESS LIMITED

England & Wales - Charity number 1131790

Accounts

REGISTERED COMPANY NUMBER: 06882940 (England and Wales)
REGISTERED CHARITY NUMBER: 1131790

REPORT OF THE TRUSTEES AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions of 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Institute for Human Rights and Business (IHRB) is the leading international think tank on business and human rights. IHRB's mission is to shape policy, advance practice and strengthen accountability in order to make respect for human rights part of everyday business.

IHRB serves as an independent voice on human rights and business issues around the world and holds ECOSOC Special Consultative status within the United Nations, and Observer Status within the United Nations Framework Convention on Climate Change COP process. IHRB works across its programmes with public and private sector partners in both developing and developed countries and:

- produces in-depth reports, practical briefings and regular commentaries, identifying gaps and emerging issues, and developing evidence to advance global norms and standards.
- provides trusted and impartial advice to governments, businesses and international organisations.
- drives dialogue and breaks down silos and brings together diverse stakeholders in collective action programmes to achieve significant impact.

IHRB prioritises its work through time-bound programmes that can have the greatest impact, leverage, and catalytic effect, focusing both on geographic programmes (countries in economic and political transition) and thematic programmes (business sectors that underpin globalisation, in relation to the flow of for example workers or commodities). This includes collective-action leadership involving different stakeholders.

Significant activities

In order to achieve its objectives, IHRB works through both its geographic, regional programmes and its global, thematic programmes, with public and private sector partners in both developing and developed countries. In order to achieve these objectives, IHRB has so far participated in the founding of five separate organisations:

- **Myanmar Centre for Responsible Business (MCRB)**, in partnership with the Danish Institute for Human Rights (DIHR);
- **Centro Regional de Empresas y Emprendimientos Responsables (CREER)** in Colombia;
- **The Corporate Human Rights Benchmark (CHRB)**, a global initiative ranking the world's largest and most influential companies in high-risk sectors. CHRB has been under the control of the World Benchmarking Alliance since 2021;
- **The Centre for Sport and Human Rights (CSHR)**; a Swiss non-profit association dedicated to creating positive outcomes for people and communities affected or impacted by sport;
- **IHRB Nordic**, a Danish charitable association, currently focusing on addressing human rights challenges in the built environment.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

OBJECTIVES AND ACTIVITIES

Furthermore, IHRB maintains additional in-house initiatives, with more currently in development:

- **"Employer Pays Principle": The Leadership Group on Responsible Recruitment**, founded in 2016, a collective action approach working to abolish all worker fees to recruitment agents worldwide by 2026 consisting of major brands, UN agencies and civil society organisations.
- **"Dignity by Design"**: for human rights in the built environment, a collective action initiative launched in 2020.
- **"Just Transitions"**: focusing on human rights and climate change, an evidence-based approach to the social implications of preventing climate change and building resilience.
- **"Ocean and Human Rights Platform"**: a collaborative initiative with the Rafto Foundation for Human Rights to raise awareness of and mitigate human rights risks across ocean industries.
- **"Gulf Sustain"**: launched in 2023 and focusing on advancing worker welfare in the Gulf Cooperation Council by centering workers' rights as an enabler of the green transition.

IHRB undertakes the vast majority of its work through the support of donations and grants but a small amount (around £42k in 2022) is provided in the form of services to governments and non-profit organisations through the subsidiary IHRB Trading Ltd.

How our activities deliver public benefit

The public benefit delivered is through the realisation of human rights by both governments and businesses through the protection of rights (in the case of the former), the integration of human rights due diligence in business world-wide and the promotion of remedies for the victims of human rights abuse.

In setting and reviewing our objectives and aims, and in planning and carrying out our activities, we have due regard to the public benefit guidance published by the Charity Commission.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In April 2022, IHRB appointed Julia Batho as its new Deputy Chief Executive. This followed the announcement in January 2022 that long-time Deputy CEO, Frances House, would step down and take on a new role as an IHRB Senior Advisor. Julia established IHRB's presence in Southeast Asia and has managed IHRB's work on Labour Rights, including its outreach in the Gulf region, since 2019. Collaborating closely with John Morrison, IHRB's CEO and Vanessa Bissessur, IHRB's Chief Operating Officer, Julia has played a leading role in shaping IHRB's future direction and leadership, contributing to the strategic development of IHRB and its subsidiaries/associated entities.

During 2022, highlights of IHRB's activities and achievements included:

1. Migrant Workers Programme and the Leadership Group for Responsible Recruitment

The Dhaka Principles for Migration with Dignity are the overarching framework for the IHRB Migrant Workers Programme, and in 2022, IHRB marked their 10th anniversary with a series of guest commentaries by business and civil society stakeholders reflecting on each Principle in turn. In 2023 we will launch a brand refresh for the Dhaka Principles with an exciting new design and look and feel for the Dhaka Principles portal, as well as plans to release several new translations.

The recruitment of migrant workers and in particular the payment of recruitment fees by many migrant workers to secure employment abroad will remain a key area of focus for the programme. IHRB promotes a model of recruitment based on the Employer Pays Principle, where the costs of recruitment should be borne not by the worker but by the employer. IHRB will continue to promote this message in various ways and in particular through the work of the Leadership Group for Responsible Recruitment: a business focussed coalition of 16 international companies supported by civil society organisations and UN agencies who use their collective leverage to challenge existing flawed recruitment practices and promote the Employer Pays model.

In 2022 the Leadership Group for Responsible Recruitment established 3 Action Groups:

- Government Engagement: focused on company leverage used to advocate with a specific government to design stronger protective policies for migrant worker recruitment. This work is likely to focus on Nepal and Bangladesh as countries of origin and Malaysia and the Gulf as places of destination.
- Global Recruitment Industry Engagement: focused on company leverage used to encourage major recruiters to strengthen engagement with supply chains in the Global South whilst maintaining an 'employer pays' model,
- Women Migrant Workers and Recruitment Fees: focused on addressing the specific and unique risks faced by migrant women workers during the recruitment process, and developing recommendations to ensure female migrant workers are not paying recruitment fees.

The Global Forum for Responsible Recruitment (GFRR) continues to be the leading global convening focussed on the issue of migrant worker recruitment, and at the annual event in 2022, IHRB launched a new initiative - the Responsible Recruitment Register - which lists companies who make a commitment to responsible recruitment practice. IHRB anticipates that this simple register will improve transparency and accountability and encourage change in more companies' practices.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Just Transitions

IHRB's work on just transitions in 2022 built on the strong foundations established in 2020-2021 and grew in capacity with the appointment of a Head of Just Transitions programme in April 2022.

IHRB undertook a range of engagements in 2022 that solidified its role as a trusted expert and "critical friend" for companies, financial actors, and industry associations getting to grips with the concept of just transitions and how to operationalise it within their business. These included:

- Developing and moderating a session on just transitions at the International Cooperation Forum in Switzerland. This included platforming some of the leading experts on just transitions globally, and provoking discussion on the increasing confusion, and potential co-option, of just transitions language given the lack of a consistent definition or global standard.
- Private input to multiple drafts of the UN Secretary General's High-Level Expert Group scrutinising net-zero commitments, to advise on and strengthen its incorporation of just transition criteria. The final product, "Integrity Matters: Net-Zero Commitments by Business, Financial Institutions, Cities and Regions", was launched to critical acclaim at COP27 in Egypt and integrates concrete and compelling references and criteria on justice and equity dimensions throughout.
- Inputs to various civil society organisation and think tank projects to provide guidance on just transitions, including: the UNFCCC Katowice Committee on the Impact of the Implementation of Response Measures; LSE Grantham Research Institute "Making Transition Plans Just" report; MIT's new programme on Mining, Environment, and Society; a joint project of Unicef and IKEA to develop a workstream on Children's Rights and the Just Transition; and the Business & Human Rights Resource Centre's transition minerals tracker and renewable energy benchmark.

IHRB's 2022 engagements culminated in hosting a three-day high-level residential dialogue on just transitions at Wilton Park, which directly preceded COP27 in Sharm El Sheikh. The IHRB-Wilton Park Just Transitions Dialogue brought together 55 senior experts, policy makers, and practitioners drawn from key transition countries, international organisations, businesses across major emissions sectors, finance, philanthropy, trade unions, and civil society. A major outcome of the IHRB-Wilton Park Dialogue was the identification of four "essential elements" seen as necessary to maintaining the coherence of any transition initiative claiming to be "just". These essential elements were summarised in the Dialogue outcome report and translated into IHRB's Four Essential Elements Framework which will serve as the foundational framework for IHRB's just transitions analysis and advocacy moving forward. The need for its application at a systems level to all major industry sectors, was also the focal point of IHRB's side events at COP27 in November 2022 in Sharm El Sheikh, including hosting the first-ever "official" side event on just transitions at any COP. IHRB was also very active at COP27 across a number of other platforms and events including: Presenting to the Intergovernmental Panel on Climate Change (IPCC) Working Group III focused on mitigation on the social risks and opportunities of decarbonisation; hosting a dialogue in the first-ever "Just Transitions Pavillion" at any COP on business, human rights, and climate action across the global wind energy sector; as well as several other engagements related to our built environment programme.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. Dignity by Design - Human Rights in the Built Environment

In 2022 IHRB continued to strengthen its "Dignity by Design" programme on human rights in the built environment. This included advocating for uptake of the "Framework for Dignity in the Built Environment" to strengthen the human rights dimension of built environment projects, planning and policies. For example, in Cartagena, Colombia, IHRB, CREER and the Rafto Foundation conducted a three month research and engagement process and a workshop that brought together community representatives, businesses, and the local municipality, culminating in the adoption of a human rights approach to the city's new urban plan. In Europe, a second "Building Dignity" project was initiated in Utrecht (following the first already underway in Norway), which will apply the Framework to strengthen the social dimensions of redevelopment around the city's soccer stadium. IHRB also presented in multiple fora on the importance of a human rights approach in the construction materials supply chains: including at the World Human Rights Cities Forum, and to the World Green Building Council's Asia Pacific Network.

The programme continues to advance a just transition in the built environment. Prior to COP27, IHRB hosted an online session, "Transforming the Way We Build", with over 60 attendees from civil society, local governments, finance and business to establish an agenda for a just transition in the built environment. Insights from this session were then carried into the built environment programme's strong presence at COP27, where its role bringing the human rights dimension into the context of decarbonization and resilience of buildings and infrastructure filled an important gap. This was followed by the launch of the "Building for Today and the Future" project. The project combines: research to build an evidence base; visioning sessions to unite multiple stakeholders around shared pathways forward; and strategic communications and advocacy to shape policy and practice, on just transitions in the built environment.

The first two local city research and visioning sessions were completed in Lagos and in Prague, which will be followed in 2023 and 2024 with similar processes in other cities. The project emphasises the right to meaningful participation and social dialogue, non-discrimination, workers' rights, and the right to housing as core elements of a just transition in the built environment. IHRB facilitated a consultation with businesses involved in the financing, design and construction of housing for the UN Rapporteur on the Right to Housing, to inform his report on climate change and the right to housing.

With support from Ove Arup Foundation, IHRB is building partnerships with universities, giving guest lectures, and publishing academic papers on human rights in the built environment, and will develop a masters-level course of human rights, just transitions and the built environment to be launched in 2024.

Cities' increasing use of technology in the provision of services, engagement of residents, security measures and environmental efficiency measures comes with opportunities, but also significant risks to human rights - in areas such as non-discrimination and privacy, as well as in relation to social, economic and cultural rights in terms of how municipal budgets are prioritized, and who benefits from the expansion of technology in the urban environment. IHRB has been commissioned by UNDP Asia Pacific to conduct stakeholder consultation and then produce a practical toolkit for the public and private sectors on the human rights dimensions of smart cities, which will be published in 2023.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Gulf Sustain

In 2022, IHRB completed a study to assess the feasibility of a regional platform to promote migrant rights and responsible business in the Gulf Cooperation Council (GCC) region (GCC countries include Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE)). Based on the study findings and consultations with experts representing local and international businesses, governments, civil society, academia, and international organisations, a preliminary strategy and business plan was developed outlining the vision, mission, approaches and short-medium-and long-term goals of the platform. As per the feasibility study's conclusions and recommendations, the platform has its strategic focus on the intersection between workers' rights, human rights and climate action. The strategy highlights the linkages between Gulf governments and companies' existing commitments to worker welfare and their visions for the green transition. The platform is an innovative and pioneer regional initiative aiming to develop knowledge, drive dialogue, and advocate for stronger policies, accountability and collaboration between businesses, governments, financial actors, and local, regional and international organisations. It aims to contribute to a vision of a green economy that will drive social change in the GCC and beyond.

In 2022, the platform, named Gulf Sustain, was launched publicly with an invitation-only roundtable hosted by the Ambassador of Switzerland in October 2022 in the UAE.

In Qatar, IHRB has continued its partnership with ILO Qatar to promote responsible business practices in key sectors, including hospitality. In the lead up to the 2022 FIFA Men's World Cup, IHRB facilitated information sharing sessions with hotels, World Cup sponsors, the Supreme Committee for Delivery and Legacy, FIFA and the Centre for Sport and Human Rights to discuss growing expectations and ongoing responsibilities in the context of the tournament and beyond.

In collaboration with the ILO, the Ministry of Labour and Qatar Chamber of Commerce, IHRB developed a human rights due diligence tool for all businesses in Qatar. The tool is expected to be launched in 2023, and additionally, IHRB will explore the possibility of facilitating knowledge exchange sessions between Qatar stakeholders and their Omani counterparts.

5. Shipping, Oceans and Commodities

In 2021-2, IHRB's ocean-focused work extended its focus from shipping to coastal wind energy (on and offshore). These two blue economy tracks run in parallel on IHRB's Ocean and Human Rights Platform, an initiative launched with Norwegian partner the Rafto Foundation for Human Rights. Future sectors will include deep-sea mining, aquaculture and tourism.

Shipping

After the successful launch of the Delivering on Seafarers' Rights Code of Conduct and accompanying self-assessment questionnaire in 2021, IHRB, together with partner Sustainable Shipping Initiative (SSI), published a progress report in October 2022, and co-hosted in the same month, a 'SEAFAIRER' roundtable in Singapore, with Rafto, SSI, Mission to Seafarers. This Chatham House Rule invite-only event convened 80 stakeholders, including charterers, union representatives, shipowners and operators, seafarers' representatives and seafarers themselves, to discuss barriers to improving seafarers' rights. The event was followed by an event at the Norwegian Embassy.

In 2022, IHRB also worked on a briefing on recruitment fees among seafarers, using quantitative data collected by a maritime recruitment platform, and will highlight the endemic nature of the charging of recruitment fees to seafarers, an issue covered in a recruitment fee panel at the SEAFAIRER roundtable. This is due to be published in 2023.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

IHRB has also continued to host regular meetings of its Responsible Shipping Dialogue (formerly called the Container Cargo Human Rights Working Group), an informal group of consumer brands, shipping companies, and seafarers' representatives to assist consumer brands in their human rights due diligence journeys with regard to seafarers. Participants in the Responsible Shipping Dialogue travelled to Singapore to participate in the SEAFAIRER roundtable and a side-event discussion on issues specific to brands and container cargo owners.

Additionally, IHRB has conducted outreach with multiple stakeholders, including appearing on panels for the Mekong Club, the Indirect Spend Alliance, Walk Free Foundation, UN Global Compact Maritime Task Force, acting as a critical friend to shipping companies, stakeholders on feedback panels, and has continued to strengthen relationships with business associations such as International Chamber of Shipping, unions such as International Transport Workers' Federation, and UN bodies such as the UN Global Compact, all to solidify its position as an objective and trusted convener in the industry.

Coastal wind energy

IHRB and Rafto convened the first in a series of multi-stakeholder roundtables on coastal wind energy and impact on indigenous communities at the UN Oceans Conference in Lisbon in November 2022. The event was successful in generating momentum for an ongoing dialogue with key indigenous organisations such as Cultural Survival, Indigenous People's Rights International (IPRI) and the SIRGE Coalition on indigenous rights in the green economy, as well as a number of corporate champions within energy producers such as Ørsted, EDP and Equinor and corporate power purchasers such as IKEA and Amazon on the importance of a more urgent conversation about more robust free, prior and informed consent, and community benefit-sharing for host communities of wind farms. IHRB published a series of 9 country spotlight briefs on this issue from Norway to Colombia, Canada to Honduras. Our next three roundtables will take place in 2023, and will build on the significant network and trust-building undertaken in 2021-22.

IHRB continues to build strong links with universities in the Arctic, Canada and the US as well as industry bodies such as Global Wind Energy Council and International Renewable Energy Agency (IRENA) with a view to developing a strong collective advocacy agenda for (i) dialogue with key governments, eg. Colombia on stronger provisions for community consultation, benefit-sharing and in some cases co-ownership to combat the mounting concerns among many host communities around green colonialism; (ii) more robust human rights due diligence around affected communities by energy producers, purchasers and investors. Furthermore, IHRB became the only business and human rights member of IRENA, an intergovernmental organisation supporting countries in their transition to a sustainable energy.

Commodities

In 2022, IHRB worked with stakeholders to update the website and related resources of the Guidance On Implementing the UNGPs for the Commodity Trading Sector. These changes will be published in 2023 and will incorporate important developments in legislation and guidance on implementing human rights in the commodity supply chain.

IHRB also worked with the International Code of Conduct Association on promoting human rights due diligence among shipping companies and charterers of use of private security companies on board vessels in areas with a high risk of piracy.

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IHRB has engaged with the Initiative for Responsible Mining Assurance (IRMA) and other mining bodies, including the Sustainable Minerals Institute at the University of Queensland, the Copper Mark, International Council on Mining and Metals (ICMM) and others to collectively advocate for improved human rights due diligence throughout the commodity supply chains. IHRB has also engaged with a number of mining and commodity companies at Executive and Board level over the past 12 months (following the publication of the WEF Board Guidance in May 2022, a process co-chaired by IHRB's CEO John Morrison).

6. Digital Technology

IHRB has examined the impact of tracing and tracking technologies since the pandemic, and intervened frequently at initiatives dealing with surveillance. IHRB is planning to convene a workshop with Article One at the Microsoft Human Rights Centre on artificial technology and its impacts on human rights, and draft an accompanying briefing paper on this theme. IHRB staff have written several blogs on technology and its impacts, in the context of spread of hate speech, fake news, surveillance technologies and their impacts, and use of Chat Bots. As technology continues to advance at a rapid pace, IHRB will continue to focus on the impacts, particularly adverse impacts, on bias, discrimination, disinformation, hate speech, and the corporate responsibility to address and mitigate harms.

7. Myanmar (Burma)

Despite disruption during 2021 and 2022 due to Covid19 and the military coup on 1 February 2021, Myanmar Centre for Responsible Business (MCRB) adapted and continued to operate in Myanmar. However, on 24 August 2022, the Centre's Director, Vicky Bowman, was detained and subsequently sentenced to a year in jail on alleged immigration offences. MCRB's operations were immediately suspended, and a comprehensive review of the MCRB programme was undertaken after which MCRB's donors and Board looked at the variety of risks facing all MCRB's stakeholders, and options for if and how the Centre could continue.

After Vicky Bowman's early release in November, a further assessment led to the Board's decision in December 2022 to close MCRB's Yangon Office, making all staff redundant, and shift to a lower profile operating model for 2023, with the Director working part-time and remotely from the UK. Some former MCRB employees continue to work on responsible business issues on a consultancy basis, including with MCRB's in-country partners, with regular review of the risks of all activities.

In the eight months prior to Vicky Bowman's arrest, MCRB's activities mainly took place online with an ongoing focus on safety and welfare of staff and stakeholders due to the continually evolving economic, security and political situation.

Human Rights Due Diligence, Responsible Business Conduct and Responsible Exit

The question of whether to stay or go, and 'responsible exit' continued to be of interest to the international business community throughout 2022, with MCRB providing advice in meetings, workshops and panel discussions, and individual contacts. Events were organised by MCRB, and jointly with Myanmar-based international Chambers, the ILO, and organisations outside Myanmar including UN bodies, investor alliances, business/multistakeholder groupings, governments, as well as thinktanks, consultants/lawyers and other organisations.

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Director Vicky Bowman shared information on emerging risks, company experiences and recommendations for preventing and mitigating human rights impacts. A particular focus was the garment sector, given the number of workers employed and the need for brands to ensure decent working conditions. MCRB had contacts (both proactive and responsive) with brands with whom it had not previously engaged, and with multistakeholder initiatives. MCRB facilitated introductions for human rights defenders to brands on specific grievances.

MCRB continued to work on digital rights and the impacts on businesses and consumers/users of laws and restrictions on internet, and surveillance including the draft cybersecurity law (see below for more details) and two inputs to the UN Office of the High Commissioner on Human Rights (OHCHR) on the Practical Application of the UN Guiding Principles to the Tech Sector (and the Right to Privacy in the Digital Age, summarising MCRB's research and advocacy in this area, including the 2015 Sector Wide Impact Assessment on ICT and Myanmar Digital Rights Forums).

In February 2022, MCRB published the first ever study of private security companies (PSC) in Myanmar and the human rights risks which all companies need to manage. This included the first guidance in Myanmar on responsible use of closed-circuit TV (CCTV). Since security has risen to the top of the agenda since the coup, including for business, this study was timely. However, a decision was also taken in February to disband the In-Country Working Group (ICWG) of the Voluntary Principles on Security and Human Rights, of which MCRB was the secretariat, partly due to the lack of critical mass of Voluntary Principles Initiative members extractive companies in Myanmar. Work on security and human rights, including PSCs, will continue as part of wider MCRB activity focussed not only on PSCs, but also their clients and sectors such as garments and manufacturing, shopping centres and banking.

MCRB also provided analysis to Embassies, development partners, and the media, including impacts of sanctions or other impediments to doing business, such as Myanmar being added to the Financial Action Task Force (FATF) blacklist, which took place in October 2022. MCRB discussed targeted advocacy to companies by investors and rightsholders. As part of tracking the regulatory environment for 'social delivery organisations' (SDOs) and philanthropy, MCRB in partnership with Yever contributed to the 'country brief' for Myanmar that was included in the June 2022 Doing Good Index (DGI) from the Centre for Asian Philanthropy and Society (CAPS).

Promoting Collective Action

The Myanmar Sustainable Business Network was officially launched in November by MCRB, Yever and UNDP as a multistakeholder platform bringing together (mostly Myanmar) professionals committed to building a more sustainable economy in Myanmar through responsible business practices.

MCRB also promoted a series of roundtable discussions on disability inclusion and business, partnering with Shwe Minn Tha Foundation (Myanmar) (SMTF), and Myanmar Independent Living Initiative (MILI).

Other collective actions during 2022 included:

- Cybersecurity Law - in February, MCRB published a summary of the latest developments and statements, MCRB's own views, and inputs from a range of business and NGO stakeholders on amendments made to the draft Cybersecurity Law. This work helped to facilitate a joint statement on draft law by chambers of commerce, business associations and multistakeholder initiatives. The proposed Cyber Security Law has yet to be enacted.

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- Fly the Flag for LGBT+ equality - after a pause in 2021, MCRB and Myanmar civil society organisations working on LGBT rights encouraged companies and other organisations in Myanmar to join the hundreds of companies worldwide who stood up for equality for those who are lesbian, gay, bisexual and transgender (LGBT) by displaying a rainbow flag on the International Day Against Homophobia, Transphobia and Biphobia (IDAHOT) on 17 May.

8. Protection of human rights defenders

IHRB has frequently conducted podcasts with HRDs from Africa, Asia, Latin America, and also from global north who advocate for change at international organisations. While it was difficult to meet and develop relationships during the pandemic, with the resumption of normalcy, IHRB has begun reaching out to defenders, and intends to continue its programme of podcasts, featuring defenders at our panels, and supporting their vital work.

In 2022, together with the Rafto Foundation for Human Rights, IHRB designed and co-delivered a training course for Human Rights Defenders. Designed as a pilot to inform a wider offering, the course, held over two full days, featured the UN Special Rapporteur on Human Rights Defenders, Mary Lawlor, the course was attended by Rafto Laureates and other individually invited human rights defenders.

The World Economic Forum's Guidance Note for Boards on Affected Stakeholders was launched in May 2022 and translated into a number of languages other than English, including Arabic, French, German, Spanish and Japanese. IHRB's CEO, John Morrison, presented the work at the May 2022 meeting at Davos, together with discussions relating to sanctions and boycotts in response to human rights violations.

9. IHRB Academy

In its 6th year, IHRB's Masters course on Business and Human Rights continues to be a popular annual module and grew into a four weekend course in 2022, and is was offered in a hybrid format, with two weekends in person and two weekends online. Praise for the course has been widespread, and the number of students has increased to 56, and has included members of the Norwegian armed forces, police force, international organisations, civil society, consulting firms, law firms, and companies, drawn from countries ranging from Australia, Thailand, Malaysia, India, many EU countries, the UK, the US, and Canada, with at least 15-20 participants attending in person, and the rest joining virtually. The course is delivered in collaboration with the Rafto Foundation for Human Rights and the University of Bergen's Department of Comparative Politics and is taught by a faculty of global experts from the worlds of business, academia and civil society.

In June-July 2022, IHRB hosted over 25 Masters students from the global CEMS network (30 of the leading global business schools) and other universities to undertake an 8-week academic placement on our Oceans, Just Transitions and Migrant Worker programmes. Students undertook research and delivered a series of 'Spotlights' on wind energy and impact on local indigenous communities as one important area of focus. This work has informed our ongoing scoping of wind energy value chains, including transition minerals and indigenous communities in the Arctic, Canada and Colombia. This was our second year of hosting virtual student placements, and students worked in small project-focused teams with regular interaction with their IHRB supervisor as well as participating in weekly Business and Human Rights guest lectures from a wide range of experts. Again, feedback was extremely positive.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Ongoing Legacy Work With The IHRB Co-founded Organisations

IHRB has a history of working in partnership with others to establish organisations, there are five organisations which IHRB still advises on their strategic direction.

These are:

- The Myanmar Centre for Responsible Business (MCRB), based in Yangon (in the process of being closed);
- El Centro Regional de Empresas y Emprendimientos Responsables (CREER), based in Bogota;
- World Benchmarking Alliance (the new home for the Corporate Human Rights Benchmark);
- The Centre for Sport and Human Rights (CSHR), based in Geneva;
- IHRB Nordic, based in Denmark;

Together with IHRB itself, these six organisations can be referred to as the "IHRB family". That said, CREER, CSHR and IHRB Nordic are fully independent legal entities with their own reporting structures and CHRB is now fully owned by the World Benchmarking Alliance. MCRB remains under the control of IHRB through MCRB Ltd.

Fundraising activities

The Institute retains its independence from all funders and strives to operate with complete impartiality. We believe it is important that we accept funding from all major constituencies - in particular Governments, Business and Civil Society (Private Foundations) - as these represent some of the major groups involved in our work. We actively work towards an even distribution between these three sources of funding.

However, the following conditions apply to our solicitation and acceptance of funding:

- Government and Foundation funding is usually allocated to specific projects (although some donors provide core funding) but only if the Institute's impartiality is respected.
- Business funding is only accepted as core funding with no specification on how funds should be allocated.

The Institute does not provide specific services to any business in return for funding received other than for training or stakeholder representation. The Institute does sometimes undertake advisory work with governments and inter-governmental bodies on a contractual basis.

The Institute will not take money from any organisation actively engaged in deliberate abuse of human rights or the undermining of development and progress with regard to business and human rights. From 2021, an additional requirement has been for donors is to have Net-Zero carbon commitments for 2050 at the latest.

The Institute publishes its funding sources and expenditure in accordance with UK Charity law.

Donations and grants paid

Grants of £269,521 (2021 - £174,408) were made by the Charity to IHRB Nordic, Yever, CREER and ICLEI during the year.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

FINANCIAL REVIEW

Financial position

The charity's financial position is shown in detail on the balance sheet.

During 2022, the charity held circa £500,000 (approximately 3 months working capital) in unrestricted reserves and this reflects the Trustees' assessment of the charity's risks and ability to manage their financial impact.

Principal funding sources

The charity's principal funding sources are from grants and donations.

Investment policy and objectives

The Institute for Human Rights & Business Limited only uses the services of banks and other financial service providers who have a strong ethical investment and lending criteria. The Institute holds business current account and card services with The Co-operative Bank, a reserves account with Nationwide, and deposit account services with Triodos Bank. The decision to use the services of these banks was made on an ethical basis.

The cornerstones of corporate governance are ethical behaviour, accountability and openness. In recent years, corporate governance has also developed to reflect the interests of stakeholders other than shareholders. The 'triple bottom line' approach focuses on economic and financial stability, social responsibility and environmental responsibility with ethical investment policies and products.

Reserves policy

The trustees view the holding of general reserves as an integral part of risk management to build organisational resilience against unexpected financial demands, and to be able to satisfactorily meet all current and known future liabilities. The reserves level is approximately three months of working capital, with plans to increase it to cover an optimal four-month period.

Trustees and senior management monitor the financial position regularly to keep abreast of any upcoming risks that may impact on the reserves position. Trustees' approval is required before the reserve can be accessed.

This policy is reviewed periodically by the trustees, and the reserves level is adjusted based on perceived risks, and changes in financial commitments or contractual, statutory and legal obligations.

Risk management

The trustees have identified how and where risks should be managed and mitigated.

Under duty of prudence, the trustees have ensured that: the charity is and will remain solvent; charitable funds and assets are used reasonably, and only in furtherance of the charity's objects; undertaking activities that might place the charity's funds, assets or reputation at undue risk is avoided and special care when investing the funds of the charity, or borrowing funds for the charity to use is taken into consideration.

Under duty of care, the trustees have ensured that they seek external professional advice on all matters where there may be material risk to the charity, or where the trustees may be in breach of their duties.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

PLANS FOR FUTURE PERIODS

For the period 2023-2025, IHRB's core focus areas will include: just transitions, dignity in the built environment, responsible commodities, sustainable oceans, worker welfare and migration with dignity. The human rights risks and opportunities within these areas are often interlinked, and we will continue to offer specific expertise within each area where our approaches can add most value in a given sector or context.

Migrant Workers Programme and the Leadership Group for Responsible Recruitment

During 2023, IHRB will undertake a gender review of the implementation guide for the Dhaka Principles for Migration with Dignity, to ensure the guidance accurately reflect the lived experience of women migrant workers and the particular challenges they may face. Adding to the 17 existing translations, further translation will be created along with a branding refresh for the Dhaka Principles website.

Following the launch of the Responsible Recruitment Register in 2022. The register will be developed further in 2023 with many additional companies being reviewed. We will also launch a second register which will feature trade and business associations and certification bodies that include responsible recruitment in their codes and standards.

Just Transitions

The four essential elements identified at Wilton Park will anchor IHRB's work moving forward at the global policy level to establish clearer norms and standards around just transitions. The June 2023 International Labour Conference (ILC) has the potential to be a key milestone, as it will include a dedicated two-day discussion on just transitions. IHRB has been engaging with the International Labour Organization (ILO) on these preparations, including on a proposed universal "definition" of just transition for adoption. The 2023 meeting of the UNFCCC Subsidiary Bodies in Bonn as well as COP28 in Dubai will offer key opportunities to align other international standard setters around this new definition (if adopted).

Dignity by Design - Human Rights in the Built Environment

This work of the "Building for Today and the Future" project, will continue with local city research and visioning sessions taking place in Melbourne, Lisbon, Copenhagen and Jakarta. Additionally, the practical toolkit for governments and business on making smart cities compatible with business and human rights, and as a result of the stakeholder consultation, will be published in 2023.

Gulf Sustain

The key objectives for Gulf Sustain in 2023 include: building and growing its profile as an independent, impartial, and trusted convener and thought leader across the fields of Just Transitions, Climate Action, and Worker Welfare in the GCC; developing and strengthening relationships with stakeholders in each of the six GCC countries for policy advocacy on workers' rights in the green transition and; influencing dialogues and policies to integrate worker welfare into key climate negotiations and sustainability decision-making spaces. To support these objectives, IHRB will also develop the Gulf Sustain website and communications strategy.

**REPORT OF THE TRUSTEES
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Shipping, Oceans and Commodities

IHRB will continue to work with the Sustainable Shipping Initiative to deliver on seafarers' rights. This will include working with RightShip to move forward on transparency and verification around the Code of Conduct's self-assessment tool, speaking on various panels, and co-hosting events in Bergen, Oslo and in Singapore, that will focus on seafarers' rights in general and on the issue of recruitment fees among seafarers in particular. Quantitative research identifying this as an endemic problem among seafarers globally will be complemented by a joint qualitative research project between IHRB and Mission to Seafarers on the issue that is also due for publication in 2023.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, Memorandum and Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

During 2022, the Institute had seven trustees who were responsible for the governance of the charity and ensure that IHRB pursues the objects for which it was founded. Trustees have been selected based on their professional experience and expertise.

Trustees are required to declare any possible conflicts of interest and are therefore unlikely to hold decision-making positions in mainstream business or government during their tenure with the Institute. When recruiting for a new trustee, the Board will make a selection with the aim of having a balanced, well-informed, and effective trustee body that undertakes proper governance of IHRB. Individuals who are passionate about IHRB's purpose and aims and can bring relevant experience and knowledge to enhance the effectiveness of the charity will be sought out. IHRB staff will provide a shortlist of nominations of potential trustee candidates who meet agreed criteria, to which the Board can add nominations for consideration. The IHRB CEO and Deputy CEO, in consultation with colleagues, will advise trustees on the final selection, and facilitate an invitation from the Co-Chairs of the Board to the selected candidate(s). Possible new trustees undertake a period of observer status, usually joining at least one IHRB trustee meetings before their appointment is formalised. The Board will undertake appropriate due diligence to ensure that those who have been disqualified from serving as a trustee are not approached. Additionally, consideration will be made to not making trustee appointments which would potentially give rise to conflicts of interest.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Institute for Human Rights and Business is governed by a board of trustees. Trustee meetings take place at least four times a year, usually remotely. During 2022, the board of trustee met six times. The trustees are regularly informed of financial matters, the progress of the Institute towards its charitable objects, and the success of relevant outputs and impacts relating to each of the programmes. The CEO reports to the board of trustees and runs IHRB on a day-to-day basis. The CEO and Deputy CEO consult the trustees on key and strategic decisions and ultimately manage the IHRB team.

The IHRB International Advisory Council provides guidance to trustees and staff about strategic matters and usually meet once a year. The International Advisory Council includes the Board of Trustees and members offer their time and expertise in an unpaid capacity. The other members of the IHRB International Advisory Council have been selected for their global expertise in all areas of business and human rights. All Council members are distinguished in their relevant fields, and bring specialisms that inform and enrich the charity's work. IHRB aims to have representation from all sectors - business, academia, research and civil society - and strives for the Council to be as diverse and representative as possible in terms of gender, ethnicity, age, as well as professional background and skills.

The CREER Centre is independently registered under Colombian law, and sits outside of the direct control of IHRB or its Trustees. The IHRB CEO and Deputy CEO are represented on the CREER Board. The Myanmar Centre for Responsible Business is registered in the UK as MCRB Ltd with a branch office in Myanmar which is in the process of being closed, and two IHRB trustees sit on the Board of MCRB Ltd, as well as the IHRB CEO. The Centre for Sport and Human Rights became an independent entity in 2021, with IHRB as one of 7 founding members, represented by one IHRB trustee and the Deputy CEO. IHRB Nordic is registered as a charitable association in Denmark, and IHRB is one of two members, and the CEO and the Senior Advisor (Special Programmes) sit on the Board.

IHRB annually reviews the salary levels for its core team using the job market in order to be competitive with professional roles in the international NGO sector. Pay reflects the need to attract and retain staff with the leadership, experience, skills and knowledge required to contribute to the work of a dynamic and influential charity. Salary levels also reflect responsibilities and performance. Employees are paid with a salary at least in line with guidance from the Campaign for a Living Wage.

In total, across the "IHRB family" of organisations, there are now 30 staff worldwide. The Institute's core staff and consultants during 2022 were:

Julia Batho (Deputy CEO)
Sarah Bekkali (Gulf Regional Coordinator)
Vanessa Bissessur (Chief Operating Officer)
Vicky Bowman (Director, Myanmar Centre for Responsible Business)
Denise Derbyshire (Administrator)
Francesca Fairbairn (Oceans and Commodities Manager)
Frances House (Senior Advisor, Special Programmes)
Scott Jerbi (Senior Advisor, Policy and Outreach)
Kathy McLeish (Governance Officer)
John Morrison (CEO)
Carmen Pedraza (Communications Officer, Migrant Workers programme)
Rakesh Ranjan (South Asia Regional Coordinator)
Alejandra Rivera (Programme Manager, Built Environment (Global))

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED (REGISTERED NUMBER: 06882940)**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Deborah Sagoe (Communications Officer)
Annabel Short (Senior Advisor, Built Environment)
Haley St Dennis (Head of Just Transitions)
Guna Subramaniam (South East Asia Regional Advisor, Migrant Workers Programme)
Salil Tripathi (Senior Advisor, Global Issues)
Neill Wilkins (Head of Migrant Workers programme)

In addition, the Institute currently has fifteen Research Fellows.

Mary Robinson and Chris Marsden are Patrons of IHRB. The members of the International Advisory Council during 2022 were S Batliwala, N Chanda, B Edlund, I Hilton, K Hyland, W Kimathi, M Kjaerum, A Ramasastry, M Taylor, and M Wallstrom. L Fernando de Angulo, V Bowman, M Harvey and D Neale are ex-officio members. All IHRB Trustees are also members of the International Advisory Council.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06882940 (England and Wales)

Registered Charity number

1131790

Registered office

Railview Lofts
19c Commercial Road
Eastbourne
East Sussex
BN21 3XE

Trustees

D L Kemp
R J D Popper
N Black
P Goyer
R Kunanayagam
D D'Ambrosio
D Khan

Auditors

Myrus Smith
Statutory Auditors
Norman House
8 Burnell Road
Sutton
Surrey
SM1 4BW

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Co-Operative Bank
PO Box 250
Delf House
Skelmerdale
WN8 6WT

Accountants

LMDB Accountants
Railview Lofts
19c Commercial Road
Eastbourne
East Sussex
BN21 3XE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Institute For Human Rights & Business Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 auditors are unaware; and
- 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 auditors are aware of that information.

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED (REGISTERED NUMBER: 06882940)**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 27 October 2023 and signed on its behalf by:

N Black - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

Opinion

We have audited the financial statements of Institute For Human Rights & Business Limited (the 'parent charitable company') and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise the Group Statement of Financial Activities, the Group and the Parent Charitable Company Balance Sheet, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of 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 2022 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Report of the Trustees.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the parent 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's and the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance on the actual and potential litigation and claims, and also any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Professional scepticism in course of the audit and with audit sampling in material audit areas.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

Use of our report

This report is made solely to the group and parent 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 group and parent charitable company's members those matters we are required to state to them in an auditors' 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 group and parent charitable company and the group and parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Jones FCA (Senior Statutory Auditor)
for and on behalf of Myrus Smith
Statutory Auditors
Norman House
8 Burnell Road
Sutton
Surrey
SM1 4BW

Date: 27 October 2023

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	1,140,573	1,302,220	2,442,793	3,156,482
Commercial trading operations	4	42,307		42,307	55,358
Investment income	5	<u>1,540</u>	<u>-</u>	<u>1,540</u>	<u>321</u>
Total		<u>1,184,420</u>	<u>1,302,220</u>	<u>2,486,640</u>	<u>3,212,161</u>
EXPENDITURE ON					
Raising funds	6	8,987	-	8,987	9,917
Commercial trading operations		37,180	-	37,180	45,037
Charitable activities					
	8				
Migrant workers and work with dignity		399,745	564,108	963,853	798,910
Myanmar Centre for Responsible Business		11,456	723,212	734,668	567,269
Centre for Sport and Human Rights		-	-	-	1,635,072
HRD and Discrimination		98,286	-	98,286	73,819
Shipping, Oceans and Commodities		218,276	81,846	300,122	212,221
High Risk Markets		-	-	-	18,822
Built Environment		135,490	416,811	552,301	281,064
Just Transition		<u>143,166</u>	<u>106,371</u>	<u>249,537</u>	<u>150,859</u>
Total		<u>1,052,586</u>	<u>1,892,348</u>	<u>2,944,934</u>	<u>3,792,990</u>
NET INCOME/(EXPENDITURE)		131,834	(590,128)	(458,294)	(580,829)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>599,626</u>	<u>1,625,549</u>	<u>2,225,175</u>	<u>2,806,004</u>
TOTAL FUNDS CARRIED FORWARD		<u>731,460</u>	<u>1,035,421</u>	<u>1,766,881</u>	<u>2,225,175</u>

CONTINUING OPERATIONS

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The notes form part of these financial statements

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED (REGISTERED NUMBER: 06882940)**

**CONSOLIDATED BALANCE SHEET
31 DECEMBER 2022**

	Notes	Consolidated 2022 £	Consolidated 2021 £	Charity 2022 £	Charity 2021 £
FIXED ASSETS					
Tangible assets	15	411	1,926	411	1,926
Investments	16	-	-	2	2
		411	1,926	413	1,928
CURRENT ASSETS					
Debtors: amounts falling due within one year	17	805,152	591,104	832,973	701,220
Cash at bank		1,265,411	1,955,684	1,234,227	1,825,994
		2,070,563	2,546,788	2,067,020	2,527,214
CREDITORS					
Amounts falling due within one year	18	(304,093)	(323,539)	(309,718)	(309,469)
NET CURRENT ASSETS		1,766,470	2,223,249	1,757,482	2,217,745
TOTAL ASSETS LESS CURRENT LIABILITIES		1,766,881	2,225,175	1,757,895	2,219,673
NET ASSETS		1,766,881	2,225,175	1,757,895	2,219,673
FUNDS	19				
Unrestricted funds		731,460	599,626	722,475	594,125
Restricted funds		1,035,421	1,625,549	1,035,420	1,625,548
TOTAL FUNDS		1,766,881	2,225,175	1,757,895	2,219,673

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 27 October 2023 and were signed on its behalf by:

N Black - Trustee

The notes form part of these financial statements

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(691,813)</u>	<u>331,610</u>
Net cash (used in)/provided by operating activities		<u>(691,813)</u>	<u>331,610</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(5,986)
Sale of tangible fixed assets		-	525
Interest received		<u>1,540</u>	<u>321</u>
Net cash provided by/(used in) investing activities		<u>1,540</u>	<u>(5,140)</u>
Cash flows from financing activities			
(Increase)/Decrease in group debtors		<u>-</u>	<u>-</u>
Net cash provided by financing activities		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		(690,273)	326,470
Cash and cash equivalents at the beginning of the reporting period		<u>1,955,684</u>	<u>1,629,214</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,265,411</u></u>	<u><u>1,955,684</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(458,294)	(580,829)
Adjustments for:		
Depreciation charges	1,515	3,659
Profit on disposal of fixed assets	-	8,156
Interest received	(1,540)	(321)
(Increase)/decrease in debtors	(214,048)	843,077
(Decrease)/increase in creditors	<u>(19,446)</u>	<u>57,868</u>
Net cash (used in)/provided by operations	<u><u>(691,813)</u></u>	<u><u>331,610</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.22 £	Cash flow £	At 31.12.22 £
Net cash			
Cash at bank	<u>1,955,684</u>	<u>(690,273)</u>	<u>1,265,411</u>
	<u>1,955,684</u>	<u>(690,273)</u>	<u>1,265,411</u>
Total	<u><u>1,955,684</u></u>	<u><u>(690,273)</u></u>	<u><u>1,265,411</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. STATUTORY INFORMATION

Institute for Human Rights & Business Limited is a private company, limited by guarantee, registered in England and Wales.

The company's registered office address is:
Railview Lofts,
19c Commercial Road,
Eastbourne,
East Sussex,
BN21 3XE

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic Ireland', the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019. The financial statements have been prepared under the historical cost convention.

Preparation of the accounts on a going concern basis

The trustees are not aware of any material uncertainties about the charity's ability to continue as a going concern.

Preparation of consolidated financial statements

The group financial statements consolidate the results of the charity and its wholly owned subsidiaries on a line-by-line basis. As permitted by Section 408 of the Companies Act no separate statement of financial activities is presented in respect of the parent company.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grant income is recognised when there is formal offer of funding communicated in writing to the charity which does not relate wholly to future accounting periods.

The value of donated services are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the charity can be reliably measured. An equivalent amount will be included as expenditure under the relevant heading in the Statement of Financial Activities.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES - continued

Income

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Allocation and apportionment of costs

All costs are allocated between expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned according to time spent on each activity during the period.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 33% on cost

Tangible fixed assets, excluding investments are initially measured at cost and subsequently stated at depreciated historic cost.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Pension costs are allocated to activities on the same basis as set out in the allocation and apportionment of costs policy stated above. Pension costs and liabilities are allocated to restricted and unrestricted reserves based on the allocation of labour time to the charities various funds.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the charity becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and are initially measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due. Cash and cash equivalents are classified as basic financial instruments and comprise cash at bank and short-term bank deposits with an original maturity of three months or less which are an integral part of the charity's cash management.

Financial liabilities issued by the company are classified in accordance with the substance of the contractual arrangements entered into and meet the definitions of a financial liability.

Financial assets are de-recognised when:

- the contractual rights to the cash flows from the financial asset expire or are settled; or
- the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the charity despite having retained some but not all significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are de-recognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments in subsidiaries

Investments in group companies are stated at cost less any identified impairment. An impairment review is undertaken annually by the trustees.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. DONATIONS AND LEGACIES

	2022	2021
	£	£
Business donations	835,301	418,590
Foundation grants	895,769	1,821,320
Government grants	711,723	526,420
Sports body donations	<u> </u>	<u>390,152</u>
	<u>2,442,793</u>	<u>3,156,482</u>

Grants recognised as income included multi-year grants for the Myanmar Centre For Responsible Business, the Migrant Workers, Built Environment, Just Transition and Shipping, Oceans and Commodities programmes. Income is recognised in the year in which the grants were agreed whilst the grant funding was for various periods ending up to 31 May 2024.

4. COMMERCIAL TRADING ACTIVITIES

	2022	2021
	£	£
Consultancy	42,307	55,358

5. INVESTMENT INCOME

	2022	2021
	£	£
Deposit account interest	<u>1,540</u>	<u>321</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. RAISING FUNDS

Raising donations and legacies

	2022	2021
	£	£
Staff costs	3,818	3,526
Insurance	445	498
Telephone	170	208
Postage and stationery	6	13
Sundries	102	172
Bank charges	159	19
Consultancy	2,040	3,341
Training	53	194
Website	181	172
Office rent	113	97
IT expenses	178	242
Accountancy and back office support	820	1,019
Travel and accommodation	1,149	226
Exchange rate variances	(280)	140
Depreciation	<u>31</u>	<u>50</u>
	<u>8,987</u>	<u>9,917</u>

Raising funds are a support cost of the charity.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. SUBSIDIARY INCOME AND COSTS

The wholly owned trading subsidiaries IHRB Trading Ltd and Myanmar Centre for Responsible Business Limited are both incorporated in the United Kingdom and pay all of their distributable profits to the parent charity by gift aid. The parent charity owns the entire share capital in each subsidiary, being 1 ordinary share of £1 for each company. A summary of the trading results whilst part of the group is shown below.

IHRB Trading Ltd	2022	2021
	£	£
Turnover	42,307	55,358
Other income	-	-
Administration and other costs	<u>(37,180)</u>	<u>(45,036)</u>
Operating profit/(loss)	<u>5,127</u>	<u>10,322</u>
Net income	5,127	10,332
Amount gift aided to the charity	<u>-</u>	<u>-</u>
Retained in subsidiary	<u>5,127</u>	<u>10,322</u>

As at December 2022, IHRB Trading Ltd had net liabilities of £7,778 (2021 - £12,905). This comprised assets of £47,379 (2021 - £96,966) and liabilities of £55,157 (2021 - £109,871).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. SUBSIDIARY INCOME AND COSTS - continued

Myanmar Centre for Responsible Business Limited	2022	2021
	£	£
Turnover	418,063	246,124
Other income	-	-
Administration and other costs	<u>(418,063)</u>	<u>(246,124)</u>
Operating profit/(loss)	<u>-</u>	<u>-</u>
Net income	-	-
Amount gift aided to the charity	<u>-</u>	<u>-</u>
Retained in subsidiary	<u>-</u>	<u>-</u>

As at December 2022, Myanmar Centre for Responsible Business Limited had net assets of £1 (2021 - £1). This comprised assets of £27,581 (2021 - £29,244) and liabilities of £27,580 (2021 - £29,243).

IHRB USA	2022	2021
	£	£
Turnover	-	-
Other income	-	-
Administration and other costs	<u>902</u>	<u>20</u>
Operating profit/(loss)	<u>902</u>	<u>20</u>
Net income	902	20
Amount gift aided to the charity	<u>-</u>	<u>-</u>
Retained in subsidiary	<u>902</u>	<u>20</u>

As at December 2022, IHRB USA had net assets of £8,987 (2021 - £8,086). This comprised assets of £8,987 (2021 - £8,086) and liabilities of £Nil (2021 - £Nil).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 9) £	Support costs (see note 10) £	Totals £
Migrant workers and work with dignity	706,860	-	256,993	963,853
Myanmar Centre for Responsible Business	500,432	14,538	219,698	734,668
HRD and Discrimination	73,229	-	25,057	98,286
Shipping, Oceans and Commodities	222,162	-	77,960	300,122
Built Environment	273,517	216,941	61,843	552,301
Just Transition	181,188	38,042	30,307	249,537
	<u>1,957,388</u>	<u>269,521</u>	<u>671,858</u>	<u>2,898,767</u>
Comparatives for the year ended 31 December 2021:				
	£	£	£	£
Totals	<u>2,815,664</u>	<u>174,408</u>	<u>747,964</u>	<u>3,738,036</u>

9. GRANTS PAYABLE

	2022 £	2021 £
Myanmar Centre for Responsible Business	14,538	98,648
Built Environment	216,941	75,760
Just Transition	38,042	-
	<u>269,521</u>	<u>174,408</u>

The total grants paid to institutions during the year was as follows:

	2022 £	2021 £
IHRB Nordic	168,255	75,760
Yever	14,539	98,648
CREER	38,042	-
ICLEI	48,685	-
	<u>269,521</u>	<u>174,408</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. SUPPORT COSTS

	Management £	Finance £	Information technology £	Governance costs £	Totals £
Migrant workers and work with dignity	236,658	4,295	13,253	2,787	256,993
Myanmar Centre for Responsible Business	193,770	299	23,004	2,625	219,698
HRD and Discrimination	23,077	420	1,297	263	25,057
Shipping, Oceans and Commodities	71,985	1,268	3,913	794	77,960
Built Environment	57,150	996	3,073	624	61,843
Just Transition	28,260	434	1,341	272	30,307
	<u>610,900</u>	<u>7,712</u>	<u>45,881</u>	<u>7,365</u>	<u>671,858</u>
Comparatives for the year ended 31 December 2021:					
	£	£	£	£	£
Totals	<u>668,845</u>	<u>1,459</u>	<u>71,272</u>	<u>6,388</u>	<u>747,964</u>

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022 £	2021 £
Auditors' remuneration	7,365	6,388
Audit of trading subsidiaries	4,296	4,248
Depreciation - owned assets	1,515	1,887
Surplus on disposal of fixed assets	<u>-</u>	<u>8,156</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. TRUSTEES' REMUNERATION AND BENEFITS - continued

Trustees' expenses

During the year no trustees (2021 - none) were reimbursed expenses as follows:

	2022	2021
	£	£
Travel expenses	-	-

13. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	892,947	960,602
Social security costs	65,400	95,787
Other pension costs	127,819	71,283
	<u>1,086,166</u>	<u>1,127,672</u>

The key management personnel of the charity comprise the trustees, the Chief Executive Officer and his deputy. The total employee benefits of the key management personnel of the charity were £337,126 (2021 - £289,837).

Under FRS 102, employee benefits include gross salary, benefits in kind, employer's social security and employer pension costs.

The average monthly number of employees during the year was as follows:

	2022	2021
	24	35
Staff	<u>24</u>	<u>35</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022	2021
£60,001 - £70,000	2	1
£70,001 - £80,000	1	4
£80,001 - £90,000	-	1
£90,001 - £100,000	-	1
£100,001 - £110,000	1	1
£140,001 - £150,000	1	1
£190,001 - £200,000	-	1
	<u>5</u>	<u>10</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. STAFF COSTS - continued

Retirement benefits are accruing to five employees (2021 - five) earning over £60,000 per annum. The total pension contributions paid in respect of said employees was £69,799 for the year ended 31 December 2022 (2021 - £46,539).

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,192,926	1,963,556	3,156,482
Commercial trading operations	55,358		55,358
Investment income	321	-	321
Total	<u>1,248,605</u>	<u>1,963,556</u>	<u>3,212,161</u>
EXPENDITURE ON			
Raising funds	9,917	-	9,917
Commercial trading operations	45,037	-	45,037
Charitable activities			
Migrant workers and work with dignity	142,487	656,423	798,910
Myanmar Centre for Responsible Business	-	567,269	567,269
Centre for Sport and Human Rights	905,452	729,620	1,635,072
HRD and Discrimination	73,819	-	73,819
Shipping, Oceans and Commodities	104,565	107,656	212,221
High Risk Markets	18,822	-	18,822
Built Environment	59,013	222,051	281,064
Just Transition	97,823	53,036	150,859
Total	<u>1,456,935</u>	<u>2,336,055</u>	<u>3,792,990</u>
NET INCOME/(EXPENDITURE)	(208,330)	(372,499)	(580,829)
RECONCILIATION OF FUNDS			
Total funds brought forward	807,956	1,998,048	2,806,004
TOTAL FUNDS CARRIED FORWARD	<u>599,626</u>	<u>1,625,549</u>	<u>2,225,175</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Computer equipment £
COST	
At 1 January 2022 and 31 December 2022	<u>11,125</u>
DEPRECIATION	
At 1 January 2022	9,199
Charge for year	<u>1,515</u>
At 31 December 2022	<u>10,714</u>
NET BOOK VALUE	
At 31 December 2022	<u>411</u>
At 31 December 2021	<u>1,926</u>

Fixed assets are not capitalised below the value of £250.

16. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 January 2022 and 31 December 2022	<u>2</u>
NET BOOK VALUE	
At 31 December 2022	<u>2</u>
At 31 December 2021	<u>2</u>

The above shares in group undertakings represent investment assets held in the UK. In addition the company is a member of one company incorporated in the USA without share capital.

The company's investments at the balance sheet date in the share capital of companies include the following:

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

16. FIXED ASSET INVESTMENTS - continued

IHRB Trading Limited

Registered office: Railview Lofts, 19C Commercial Road, Eastbourne, East Sussex, BN21 3XE

Nature of business: Consultancy Services

	% holding	2022	2021
Class of share:		£	£
Ordinary	100		
Aggregate capital and reserves		(7,778)	(12,906)
Profit for the year		<u>5,128</u>	<u>10,322</u>

Myanmar Centre For Responsible Business Limited

Registered office: Railview Lofts, 19C Commercial Road, Eastbourne, East Sussex, BN21 3XE

Nature of business: Consultancy Services

	% holding	2022	2021
Class of share:		£	£
Ordinary	100		
Aggregate capital and reserves		1	1

IHRB USA

Country of incorporation: USA

Nature of business: Charity

The above company is incorporated without share capital, with the Institute For Human Rights and Business being the sole member.

	2022	2021
	£	£
Aggregate capital and reserves	8,987	8,086
Surplus / (Deficit) for year	<u>902</u>	<u>20</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. DEBTORS – GROUP AND CHARITY

AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade debtors	258,062	227,342	228,112	226,142
Other debtors	4,062	3,751	2,887	345
Amounts owed by group undertakings	-	-	58,946	114,722
Accrued income	528,992	337,601	528,992	337,601
Prepayments	<u>14,036</u>	<u>22,410</u>	<u>14,036</u>	<u>22,410</u>
	<u>805,152</u>	<u>591,104</u>	<u>832,973</u>	<u>701,220</u>

18. CREDITORS: GROUP AND CHARITY

AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade creditors	116,160	35,466	114,100	33,234
Social security and other taxes	29,283	17,011	18,931	16,879
Other creditors	14,530	29,861	14,529	27,986
Accrued expenses	27,450	11,215	45,488	9,415
Deferred Income	25,322	105,306	25,322	97,275
Grants payable	<u>91,348</u>	<u>124,680</u>	<u>91,348</u>	<u>124,680</u>
	<u>304,093</u>	<u>323,539</u>	<u>309,718</u>	<u>309,469</u>

Deferred grant income brought forward from 2021 of £97,275 has been released during the year.

Deferred income as at 31 December 2022 includes grant funding received in the period of £25,322. The grants have been made for activities in 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

19. MOVEMENT IN FUNDS

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General fund	99,626	131,834	(100,000)	131,460
Contingency reserve	<u>500,000</u>	<u>-</u>	<u>100,000</u>	<u>600,000</u>
	599,626	131,834	-	731,460
Restricted funds				
Migrant workers and work with dignity	803,387	(339,657)	-	463,730
Myanmar Centre for Responsible Business	560,869	(474,676)	-	86,193
Built Environment	261,293	79,862	-	341,155
Shipping, Oceans and Commodities	-	9,998	-	9,998
Just Transition	<u>-</u>	<u>134,345</u>	<u>-</u>	<u>134,345</u>
	<u>1,625,549</u>	<u>(590,128)</u>	<u>-</u>	<u>1,035,421</u>
TOTAL FUNDS	<u><u>2,225,175</u></u>	<u><u>(458,294)</u></u>	<u><u>-</u></u>	<u><u>1,766,881</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,184,420	(1,052,586)	131,834
Restricted funds			
Migrant workers and work with dignity	224,451	(564,108)	(339,657)
Myanmar Centre for Responsible Business	248,536	(723,212)	(474,676)
Built Environment	496,673	(416,811)	79,862
Shipping, Oceans and Commodities	91,844	(81,846)	9,998
Just Transition	<u>240,716</u>	<u>(106,371)</u>	<u>134,345</u>
	<u>1,302,220</u>	<u>(1,892,348)</u>	<u>(590,128)</u>
TOTAL FUNDS	<u><u>2,486,640</u></u>	<u><u>(2,944,934)</u></u>	<u><u>(458,294)</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds				
General fund	407,956	(208,330)	(100,000)	99,626
Contingency reserve	<u>400,000</u>	<u>-</u>	<u>100,000</u>	<u>500,000</u>
	807,956	(208,330)	-	599,626
Restricted funds				
Migrant workers and work with dignity	450,509	352,878	-	803,387
Myanmar Centre for Responsible Business	985,631	(424,762)	-	560,869
Centre for Sport and Human Rights	196,352	(196,352)	-	-
High Risk Markets	39,812	(39,812)	-	-
Built Environment	214,472	46,821	-	261,293
Shipping, Oceans and Commodities	<u>111,272</u>	<u>(111,272)</u>	<u>-</u>	<u>-</u>
	<u>1,998,048</u>	<u>(372,499)</u>	<u>-</u>	<u>1,625,549</u>
TOTAL FUNDS	<u><u>2,806,004</u></u>	<u><u>(580,829)</u></u>	<u><u>-</u></u>	<u><u>2,225,175</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,248,605	(1,456,935)	(208,330)
Restricted funds			
Migrant workers and work with dignity	1,009,302	(656,424)	352,878
Myanmar Centre for Responsible Business	142,507	(567,269)	(424,762)
Centre for Sport and Human Rights	533,268	(729,620)	(196,352)
High Risk Markets	(39,812)	-	(39,812)
Built Environment	268,872	(222,051)	46,821
Shipping, Oceans and Commodities	(3,617)	(107,655)	(111,272)
Just Transition	<u>53,036</u>	<u>(53,036)</u>	<u>-</u>
	<u>1,963,556</u>	<u>(2,336,055)</u>	<u>(372,499)</u>
TOTAL FUNDS	<u><u>3,212,161</u></u>	<u><u>(3,792,990)</u></u>	<u><u>(580,829)</u></u>

Unrestricted funds represent monies given to the charity without restrictions.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. MOVEMENT IN FUNDS - continued

The trustees have a reserves policy of keeping approximately 3 months of working capital in reserves. Unrestricted reserves held as at 31 December 2022 are broadly in line with the policy. As an extension to the policy, £600,000 of unrestricted reserves have been designated as a contingency reserve. The charity is not able to access these funds without trustees prior approval.

Restricted funds represent monies given to the charity for a particular activity as follows:

Migrant Workers and Work with Dignity: Strengthening protection of migrant worker rights and examining the responsibilities of recruitment agencies.

Centre for Sport and Human Rights: Human rights in the context of sporting events (FIFA World Cup, Olympic Games etc).

Myanmar Centre For Responsible Business: An initiative to encourage responsible business activities throughout Myanmar.

High Risk Markets: Programme related specifically to responsible business conduct in high-risk environments, which includes the role that investors, local companies and governments should play.

Shipping, Oceans and Commodities: Identifying and developing human rights lifecycle and principles relating to Maritime Sector and work on the extractive sector aiming to embed the protection of and respect for human rights, transparency, and accountability.

Built Environment: Exploring the extent to which built environment promotes, threatens or diminishes human dignity.

Human Rights Defenders and Discrimination: Protecting human rights defenders and challenging business and discriminatory practices.

Just Transition: Visible framing for government and business action on climate change.

20. CONTINGENT LIABILITIES

The company is aware of a liability owed to the Myanmar tax authorities in respect of staffing which at present it is unable to reliably calculate.

The liability relates to periods up to 31 March 2022 and is currently estimated as £24,549. The company is seeking to confirm the exact amount and settle any balance due.

21. EMPLOYEE BENEFIT OBLIGATIONS

The charity contributed to defined contribution pension schemes for all of the employees during the period. Contributions of £127,819 (2021 - £71,283) have been charged to the Statement of Financial Activities for the period under review. As at 31 December 2022 there were unpaid contributions of £13,315 (2021 - £11,100).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

22. RELATED PARTY DISCLOSURES

IHRB Trading Limited

Subsidiary company

As at 31 December 2022 the subsidiary owed the charity £51,224 (2021 - £95,801). An impairment loss has been provided on the loan of £7,778. Provision was made in this period. The loan by the charity has no fixed repayment term and is interest free.

Myanmar Centre For Responsible Business Limited

Subsidiary company

The balance due from the subsidiary at the balance sheet date was £15,500 (2021 - £29,243). This loan to the subsidiary has no fixed repayment term and is interest free.

Expenses of £396,424 (2021 - £246,124) were recharged by the subsidiary to the charity during the year.

Centre for Sport and Human Rights Limited

Former subsidiary company

Centre for Sport and Human Rights Limited left the group in July 2021. Upon leaving the group the subsidiary had net assets of £903,400. This amount has been recognised as a donation in the comparative period in the consolidated accounts.

23. CONTINGENT ASSETS

The charity has been awarded grants totalling £564,740 (2021 - £446,826), which are for time periods that commence after the balance sheet date. As the charity is presently unable to receive or expend these funds they are not recognised in income in the reporting period.

INSTITUTE FOR HUMAN RIGHTS & BUSINESS LIMITED

England & Wales - Charity number 1131790

Accounts

REGISTERED COMPANY NUMBER: 06882940 (England and Wales)
REGISTERED CHARITY NUMBER: 1131790

REPORT OF THE TRUSTEES AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

The trustees who are also directors of the parent charity for the purposes of the Companies Act 2006, present their report with the financial statements of the parent charity and subsidiary undertakings for the year ended 31 December 2021. The trustees have adopted the provisions of 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Institute for Human Rights and Business (IHRB) is the leading international think tank on business and human rights. IHRB's mission is to shape policy, advance practice and strengthen accountability in order to make respect for human rights part of everyday business.

IHRB serves as an independent voice on human rights and business issues around the world and holds ECOSOC Special Consultative status within the United Nations, and Observer Status within the United Nations Framework Convention on Climate Change COP process. IHRB works across its programmes with public and private sector partners in both developing and developed countries and:

- produces in-depth reports, practical briefings and regular commentaries
- provides trusted and impartial advice to governments, businesses and international organisations
- brings together diverse stakeholders in collective action programmes to achieve significant impact

IHRB prioritises its work through time-bound programmes that can have the greatest impact, leverage and catalytic effect, focusing both on geographic programmes (countries in economic and political transition) and thematic programmes (business sectors that underpin globalisation, in relation to the flow of for example workers or commodities). This includes collective-action leadership involving different stakeholders.

Significant activities

In order to achieve its objectives, IHRB works through both its geographic, regional programmes and its global, thematic programmes, with public and private sector partners in both developing and developed countries. In order to achieve these objectives, IHRB has so far participated in the founding of four separate organisations:

- **Myanmar Centre for Responsible Business (MCRB)**, in partnership with the Danish Institute for Human Rights (DIHR);
- **Centro Regional de Empresas y Emprendimientos Responsables (CREER)** in Colombia;
- **The Corporate Human Rights Benchmark (CHRB)**, a global initiative ranking the world's largest publicly listed companies and led by an alliance of investors and NGOs (dissolved in 2021 and now under the control of the World Benchmarking Alliance);
- **The Centre for Sport and Human Rights (CSHR)**; a Swiss non-profit association dedicated to creating positive outcomes for people and communities affected or impacted by sport;
- **IHRB Nordic**, a Danish charitable association.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

OBJECTIVES AND ACTIVITIES

Furthermore, IHRB maintains additional in-house initiatives, with more currently in development:

- **"Employer Pays Principle": The Leadership Group on Responsible Recruitment**, founded in 2016, a collective action approach working to abolish all worker fees to recruitment agents worldwide by 2026 consisting of major brands, UN agencies and civil society organisations.
- **"Dignity by Design"**: for human rights in the built environment, a collective action initiative launched in 2020.
- **"Just Transitions for All"**: focusing on human rights and climate change, an evidence-based approach to the social implications of preventing climate change and building resilience.

IHRB undertakes the vast majority of its work through the support of donations and grants but a small amount (around £54k in 2021) is provided in the form of services to governments and non-profit organisations through the subsidiary IHRB Trading Ltd.

How our activities deliver public benefit

The public benefit delivered is through the realisation of human rights by both governments and businesses through the protection of rights (in the case of the former), the integration of human rights due diligence in business world-wide and the promotion of remedies for the victims of human rights abuse.

In setting and reviewing our objectives and aims, and in planning and carrying out our activities, we have due regard to the public benefit guidance published by the Charity Commission.

A short note on 2021

The global COVID-19 pandemic continued during 2021 and affected all of IHRB's programmes to some extent - with some activities being virtual rather than in person or being postponed. However, IHRB has been resilient to new patterns of working, in part as there has always been a virtual component to our internal organisation - e.g. with permanent office space in Yangon, Bogota, Geneva and Copenhagen, but not in the UK, USA, Singapore or France.

2021 brought sad news in the form of the death of Professor John Ruggie, author of the UN Guiding Principles on Business and Human Rights, an eminent political scientist and former UN Assistant Secretary- General to Kofi Annan. John was Chair of IHRB's International Advisory Council for several years and we all miss him and his work.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

COVID-19 continued to seriously impact the global economy and in particular on 'essential' workers such as nurses, doctors, carers, supermarket workers, agricultural workers, migrant workers, seafarers and other supply chain workers. IHRB reports and convenings raised awareness of particular issues faced by such vulnerable groups and the pandemic influenced IHRB's work over the past 12 months. Programme activity was adapted based on inability to travel and host or participate in in-person meetings and events, however most meetings and events continued to be held virtually or hybrid remote-in person, with some deferred until 2022.

During 2021, highlights of IHRB's activities and achievements included:

1. Commodities

During 2021, IHRB continued to promote human rights due diligence in the commodity trading sector. IHRB conducted outreach with multiple organisations, focusing primarily on copper and cotton. Copper is a critical 'transition mineral' and as such will play a huge role in ensuring a transition from fossil fuel to a renewable energy economy. Ensuring that this transition is just is a core strategy and programme for IHRB, and our work on copper has played a key role in informing our just transition work. In May 2021, IHRB convened an invitation-only Chatham House Rule event to promote human rights due diligence across the copper value chain. Speakers included the CEO of the London Metal Exchange, the Executive Director of The Copper Mark, Deanna Kemp of the Sustainable Minerals Institute in Australia, ICoCA CEO Jamie Williamson, and a representative of the OECD Responsible Business Conduct Unit.

In July, IHRB's CEO led a discussion amongst Swiss Trading and Shipping Association (STSA) members on the findings of IHRB's 2020 report (Taking Stock, Looking Ahead - Human Rights and the Commodity Trading Sector) on how far the commodity sector has moved on integrating human rights due diligence in business operations. IHRB also engaged with STSA's shipping committee, cross-cutting with IHRB's Shipping programme.

IHRB worked bilaterally with selected actors in the cotton industry to understand current issues in the cotton supply chain and cotton trading sector. In collaboration with the International Labour Organization office in Uzbekistan, IHRB interviewed businesses, civil society and thematic experts, to identify examples of responsible business practices relating to cotton in transition economies. The research aimed to explore good practice examples where economic transition has been guided by international standards, as well as assess responsible business pathways for the cotton industry in Uzbekistan and globally.

In July 2021, IHRB convened an invitation-only Chatham House Rule event including focus on the perspectives of cotton traders on current challenges in sourcing and trading cotton in alignment with international standards including the UNGPs. Speakers included the Global Head, Sustainability at Louis Dreyfus Company, the CEO of the Responsible Sourcing Network, the Head of Economic Globalisation and Human Rights at the Raoul Wallenberg Institute, the Forced Labour Program Director, at Global Labor Justice/ Cotton Campaign, the Executive Director of the Myanmar Centre for Responsible Business and a former US State Dept staffer. A summary meeting report was published in August 2021 and a state of play report on the cotton value chain will be published in 2022.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Discrimination

Work on discrimination is at the core of IHRB's programmes, and we do not see it as distinct. IHRB continued to speak on the topic at various fora, including on LGBT rights at the UN Global Compact. IHRB also focused on the COVID-19's impact on women workers in the Bangladesh garment sector, participating in several webinars as part of outreach efforts following the publication of IHRB's report prepared with the University of California Berkeley. The report was very well-received, and IHRB participated in virtual webinars in Bangladesh, Switzerland, the US, and the UK. IHRB also hosted lectures on discrimination and cognitive bias at its annual course on business and human rights in Bergen, with lectures on racism in the US and corporate response.

3. Digital Technology

The impact on digital technology on human rights is manifold. Bearing that in mind, IHRB previously engaged with digital companies on issues related to privacy and surveillance, continued ongoing research on digital technology's use during the pandemic, and made digital technology integral to some of our work. This includes an extended IHRB Voices podcast with Facebook's Head of Human Rights about the company's new human rights policy at a time when the company is facing increased scrutiny about the content it publishes or removes from its platform. IHRB also published a blog by an activist critical of the policy.

IHRB also participated in an event organised by the Business and Human Rights Resource Centre on the need to and steps necessary to protect human rights defenders from digital surveillance. IHRB also participated in the governance group set up by Twitter's Trust and Safety Council, as well as a World Economic Forum initiative on using technology to improve diversity and inclusion.

IHRB published staff-written blogs on Spotify's decision to remove contentious content and the role of tech companies in the Russian war on Ukraine. IHRB also moderated a discussion at Access Now's conference on human rights and freedom of expression in the tech sphere and corporate responsibility with the Special Rapporteur on Freedom of Expression and the Secretary General at Amnesty International. IHRB was also involved in close, confidential discussions with companies caught in difficult situations in countries where human rights are violated routinely, as they planned their responses to those crises. Finally, IHRB has included digital technology's uses as an integral part of a project it has begun for UNDP Business and Human Rights Hub (Asia-Pacific).

4. Dignity by Design - Human Rights in the Built Environment

Building decarbonization and a just transition

As finance flows into reducing emissions from buildings, IHRB highlighted the actions policy-makers and investors must take to align policies with human and workers' rights - through a policy report; multi-stakeholder event with an emphasis on implications for the right to housing; COP26-related engagement; and serving on the taskforce for the World Green Building Council's "Beyond the Business Case" report. This work will develop further into global research on built environment just transitions through 2022 - 2024, with deep-dives into specific countries combined with global-level communications and advocacy.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

Urban planning, human rights and just transition in Cartagena, Colombia

IHRB, Rafto Foundation and IHRB's sister organisation in Colombia CREER, conducted fieldwork in Cartagena in the last quarter of 2021. This involved participation in three community consultations on the city's new territorial plan in predominantly afro-Colombian neighborhoods of the city as well as research and interviews with representatives of government, civil society and business. The findings will inform recommendations for the city's new territorial plan, a workshop in 2022 and development of ongoing partnerships with key actors in the city. This work will develop into similar efforts in other ports and coastal cities.

"Turning the tables" - Participatory decision-making in the built environment

IHRB conducted in-depth interviews with organisations working to strengthen local community participation and agency in decisions about what gets built and how, in countries ranging from Portugal to Bangladesh, from Senegal to Bulgaria and Albania. Summaries and analysis will be published in 2022, and interviewees will be invited to join a virtual global teach-in to share their experiences and recommendations on how to strengthen community agency in the built environment.

Convening UN experts on Dignity by Design

The coalition hosted a virtual discussion for UN Rapporteurs on risks and opportunities for human rights in the built environment, particularly in the context of the COVID-19 pandemic. The session was attended by the Rapporteur on the Right to Health and the Rapporteur on the Right to Housing, with representation from the mandates on the Right to Privacy, Rights of People with Disabilities, and Rights of Older Persons. The event highlighted the ways in which the built environment and its power dynamics have major implications across the full spectrum of human rights. This initiative recognises the growing role of technology within the urban fabric: which can contribute to the realisation of rights but also poses significant risks of rights abuses, including on privacy, targeting of defenders, discrimination, and differentiated benefits throughout a city.

Addressing architecture and the right to housing in Egypt

IHRB co-presented together with housing rights expert Yahia Shawkat on a webinar hosted by the John D. Gerhart Centre for Philanthropy at the American University of Cairo, attended by a large group of architects and architectural students. The session honed in on roles and responsibilities of decision-makers throughout the built environment lifecycle. It elevated in particular the responsibilities of architects for human rights, through design decisions for buildings, for planning processes, and even for regional and national socio-economic plans. Shawkat made the case for a "Hippocratic oath" (to do no harm), for architects and elevated the ways in which related principles are in fact already included in existing engineering and architectural codes, and need to be adhered to in practice.

Management school students develop built environment case studies

On a placement with IHRB, three management school students mapped challenges and opportunities for advancing human rights in the built environment in India, Czech Republic, Germany, Canada, and Ukraine. These mapping studies will be a powerful stepping stone in developing plans for future work with local and national partners in these countries.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

Advancing the "Building Dignity Project" in Bergen, Norway (in partnership with IHRB Nordic)

The city of Bergen published its second report on progress on integrating the Framework for Dignity in the Built Environment into a specific project -the conversion of a former teacher training college into a centre providing services for newly-arrived migrants and refugees. The process has provided vision and purpose across the project team, and specific lessons on how to put the city's designation as a "human rights city" into practice in the context of building projects. Cities in all regions have the opportunity to learn from this project and take up the approach in their own projects.

Presenting the Dignity by Design Framework in planning and building processes

IHRB advocated throughout 2021 for rights-based approaches, with the lifecycle "Framework Dignity in the Built Environment" as a touch-point, in multiple fora. These included engagement on city-level action, with municipal officials from Guayaquil, Lisbon, Utrecht, and Munich through participation in a "Conscious Cities - Warsaw" event on Diversity and Inclusion in a City; financial action, for example through IHRB's submission to the EU social taxonomy process, and presentations to UNEP-FI North America, Climate Positive Europe Alliance and individual banks; and industry action, for example through participation in BRE Group's social equity working group; a presentation to the Spanish Green Building Council, and input to the Global ABC guidelines on building material passports.

5. Just Transitions for All

Building on the publication of the 'Just Transitions for All' report in November 2020, throughout 2021 IHRB produced a series of reports and commentaries, and organised meetings related to Just Transitions. These included the Better Buildings - Financing Human Rights based Decarbonisation in Europe's Built Environment event and a closed-door roundtable on The Global Demand for Copper and the Human Rights Challenges Ahead, both held in June and; a commentary on Telenor's Exit from Myanmar - A Cautionary Tale for the Just Transition published in September.

IHRB secured 'observer status' within the United Nations Framework Convention on Climate Change's COP process and hosted an event within the UN zone of COP26 in Glasgow. The 2 November 2021 high-level in-person discussion on the Just Transition at the COP26 conference in Glasgow opened with remarks from IHRB Patron and Chair of the Elders Mary Robinson, ITUC General Secretary Sharan Burrow, BP's CEO Bernard Looney, the Scottish Government Minister for the Just Transition, and Maxine Burkett, the Senior Advisor to the US Climate Envoy John Kerry. Participants included senior representatives from industries representing the demand, supply and finance side of the energy transition, as well as leading figures from civil society and global governments.

To mark International Human Rights Day (10 December 2021), IHRB launched a white paper on Just Transitions in relation to the international banking sector produced in collaboration with Clifford Chance and the Commonwealth Development Corporation (now British International Investment).

At the level of practice, IHRB continued to work with its sister organization in Colombia, CREER, to focus on the application of human rights to the 'transition out' of coal mining in the La Guajira and Cesar regions of northern Colombia. At the end of 2021, IHRB formalised its approach on Just Transitions in relation to twin objectives: to assist the development of international norms to guide worldwide approaches to Just Transition, and to evidence this process through place-based research from different countries and global value chains. IHRB will also partner with Wilton Park to host a residential meeting in October 2022 to guide collective work through COP27 and COP28.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Migrant Workers Programme and the Leadership Group for Responsible Recruitment

In 2021, this Programme maintained a strong programme of research, webinars, consultations and delivered a substantial number of commentaries and Voices podcasts for IHRB, despite, due to COVID-19, the cancellation of a number of in-person stakeholder meetings in SE Asia, a key area of focus for members of the Leadership Group for Responsible Recruitment and our programme.

IHRB's Southeast Asia Regional Advisor (based in Singapore), worked closely on a number of initiatives with the International Labour Organization (ILO) and International Organization for Migration (IOM) along with regular engagements many other stakeholders. In Japan IHRB links to Caux Roundtable has seen us help organise a series of webinars and other events for Japanese companies, many of whom have substantial operations or suppliers employing large numbers of migrant workers in SE Asia. Japanese companies are showing increased interest in the Business and Human Rights agenda both at home and abroad. The appointment of a new IHRB Research Fellow Bonny Ling has also led to a significant amount of work focused on Taiwan where large numbers of migrant workers are employed, including the delivery and participation in a number of webinars and workshops. This is particularly important given the status of Taiwan in relation to China meaning that ILO and IOM do not have a presence there.

In 2021, the Programme expanded with the creation of a new regional hub for North America, and the appointment of a Leadership Group for Responsible Recruitment Manager and North America Regional Coordinator post. This role (based in Mexico) is primarily focussed on migrant workers travelling through the Mexican corridors into the USA and Canada. IHRB involvement in the region has been welcomed by other stakeholders and IHRB will be co-ordinating the newly formed North American Responsible Recruitment Network bringing together a range of organisations focused on recruitment challenges for dialogue and collaborative action.

The Leadership Group for Responsible Recruitment is now 6 years old and a strategic review of the Group, its achievements and how best to drive progress further was conducted this year. The issue of recruitment fees as a human rights challenge is now firmly established, and IHRB with its promotion of the Employer Pays Principle, has played a significant part in making that so. It is no longer exceptional for companies to have a "no recruitment fees to migrant workers" policy. Challenges remain however in business implementation in supply chains and securing appropriate legislation that is effectively and consistently enforced.

A further recruitment to the team was a Programme Communications Assistant, and having a dedicated communications resource for the Programme increases our capacity to support team activities, and allows us to produce a range of attractive communications assets that are consistent and branded across the programme. It has also enabled us to experiment with new ideas such as short animations.

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Due to COVID-19 the annual Global Forum for Responsible Recruitment (GFRR2021) took place in online form only. The Forum serves as both a showcase and thought platform for all those working on the recruitment of migrant workers and remains a significant contribution to the subject. In 2021 IHRB partnered with the ILO and IOM to deliver a series of webinars, panel discussions and debates over 4 days. Managing the event this way demonstrated the many advantages of an online format and this will feature in all future fora perhaps in hybrid form with a combination of online and in person activities. Highlights from the 2021 Forum included:

- Keynote speakers for opening and closing sessions included Secretary Generals of the International Labour Organisation (ILO), International Organisation for Migration (IOM), International Organisation of Employers (IOE), and International Trade Union Confederation (ITUC), as well as Migrant Forum in Asia.
- Increased participation - 1650 individual participants over 4 days, plus 18,500 interactions between attendees.
- 79 speakers in total and a 50- 50 gender balance across all panels
- Scheduling to cover all time-zones / geographies and 4 languages available during live sessions.
- 47 Expo booths recording total 1700 visits.
- Inclusion of the voices of a far greater number of migrant worker support organisations and smaller NGOs to better include worker's voice.
- 1,400 posts on the social media wall.

7. Migrant Workers in Qatar

In 2021, IHRB renewed its cooperation with the International Labour Organization (ILO) Project Office in Qatar and the Ministry of Administrative Development, Labour and Social Affairs (ADLSA) to promote responsible recruitment and decent work in key sectors. The third phase of the ILO Qatar-IHRB partnership builds on previous engagement with the hospitality and security sectors to disseminate learnings and strengthen the capacity of all businesses in Qatar regarding responsible recruitment and employment. Drawing on the guidance developed for the hospitality sector in 2020, IHRB and the ILO developed a draft cross-sector due diligence tool for businesses in Qatar. Other activities to be undertaken as part of the ILO-IHRB partnership include consultations on the applicability of the due diligence tool with selected sectoral committees convened by the Qatar Chamber of Commerce and Industry and roundtable discussions bringing together members of the Hospitality Working Group, World Cup Sponsors and the Supreme Committee for Delivery and Legacy to exchange information about shared challenges and align expectations in the run up to the tournament, as well as discuss opportunities to continue to advance workers' rights in Qatar beyond 2022.

8. Migrant Workers in the GCC

In 2021, IHRB recruited a Gulf Regional Coordinator to lead IHRB's Middle East research and outreach across five Gulf States (Bahrain, Kuwait, Oman, Saudi Arabia and UAE). IHRB worked with external consultants to produce seven research briefs as part of the assessment of the feasibility of an intra-Gulf platform to promote migrant rights and responsible business across the GCC. Research topics included:

- Policy analysis on migrant rights in two clusters - Saudi Arabia/Bahrain and Kuwait/Oman/the UAE;
- Political and security risks in the GCC;
- The role of US foreign policy in advancing migrant rights and responsible business in the GCC;
- The role of higher education networks in advancing migrant rights in the GCC;
- A feasibility scoping of the Built Environment Sector in the GCC; and
- The role of climate change and the renewable energy sector in advancing migrant rights and responsible business practices in the GCC.

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Research topics were selected based on the most salient issues and strategic potential areas of leverage identified by IHRB, with input from a Research Advisory Group, established in December 2020. During 2021 particular attention was paid to the new forms of leverage that might arise due to the Gulf's interest in diversifying its economy, and in particular investments in low-carbon energy, built environment and infrastructure.

As part of the feasibility assessment, IHRB planned to host in-person consultations in Europe and the GCC, but these were held remotely due to COVID-19. Despite the limitations of COVID-19, IHRB pursued additional opportunities for engagement with experts, businesses, investors, and academics to build and strengthen relationships, test research findings, and discuss the potential for an intra-Gulf platform to advance migrant rights. Among others, IHRB undertook consultations with local and regional organisations in the GCC, UN agencies, the EU delegation in the UAE, experts from the oil and gas, construction, and financial sectors, as well as academics and experts focusing on a broad range of subjects, from the impact of climate change on migration to the role of digital media in influencing behaviour change.

Plans remain to launch the pilot phase of an intra-Gulf platform in the latter part of 2022.

9. Myanmar (Burma)

2021 marks the ninth year of the Myanmar Centre for Responsible Business (MCRB) operations in Myanmar. January 2021 was a relatively quiet month with the effects of COVID-19 continuing to be felt, and with a pause before the anticipated start of the newly elected Parliament. Following the military coup on 1 February 2021, the implementation of much of MCRB's programme was paused until there was greater clarity about the situation and risks to staff safety and partners could be addressed. Through the year, MCRB proved to be a rich source of analysis and commentary on the economy and business for foreign missions, development partners, and the media, including impacts of actual or planned sanctions.

Following the coup, activities involving engagement with government officials were stopped. This resulted in a significant adjustment to MCRB's work under the "Protect, Respect, Remedy" framework - with the Centre shifting its primary focus to activities under the Respect Pillar.

Collective Action

Despite having put a halt to engagement with government officials, MCRB pursued some significant collective actions with messaging intended for decision makers in the military's State Administrative Council (SAC). These included:

- Facilitation of a joint Statement of Concerned Businesses Operating in Myanmar focused on the importance of the rule of law and respect for human rights, democracy and fundamental freedoms. It was signed by 230 companies and endorsed by some foreign chambers of commerce and used by other organisations as a template to draft their own response.
- An analysis by MCRB of the human rights aspects of the February 2021 draft of the cybersecurity law provided a foundation upon which business chambers and companies made public statements on shortcomings of the draft. These comments appear to have led the SAC to reconsider the draft with some sections incorporated into an amended Electronic Transactions Law, severely deficient in privacy protections, and the cybersecurity law remaining in draft.
- Facilitating a multistakeholder statement highlighting the negative impacts on Myanmar's economy and development of a two-month long mobile data shutdown, and 'whitelisting' of certain websites. Participants included the Global Network Initiative and its member companies, and multinationals from beyond the telecoms sector.

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- Collaborating with the international chambers in July and August to mobilise funds from companies in MCRB's networks for medical NGOs active during the deadliest wave of the COVID-19 pandemic in Myanmar. US\$200,000 was raised from 14 organisations, which was used to source oxygen concentrators and medication.

Human Rights Due Diligence (HRDD)

From February onwards, MCRB provided advice on heightened human rights due diligence (HRDD) to numerous local and international companies contending with issues including employee participation in demonstrations, employee and customer safety, how to respond to calls for tax resistance, and other demands on business. Advice on these issues was compiled into a draft guide on heightened HRDD based on actual company experiences, of which elements were shared with trusted organisations and companies throughout the year.

The examples and recommendations in the draft guide were also incorporated into the almost thirty Myanmar-focused panel discussions and webinars during which MCRB Executive Director shared her insights. These events were jointly arranged with international chambers, UN bodies, investor alliances, business groupings, governments, as well as thinktanks, consultants/lawyers and other organisations.

Responsible Business Conduct

In response to demand from international businesses in Myanmar, five multinational company peer-to-peer meetings were organised by MCRB, co-chaired by the ILO, with OECD-headquartered multinational companies to discuss responsible business conduct. These peer-to-peer meetings provided an opportunity for MCRB to highlight the views of other stakeholders on business and human rights, including opposition groups such as trade unions, and investor coalitions; discuss emerging issues such as the draft cybersecurity law and internet shutdown; and encourage collective action.

MCRB also had regular contact with the major Myanmar banks on human rights risks, security, staff and customer safety, freedom of expression, corporate governance and disclosure. In addition to giving feedback to some banks on addressing human rights risks, MCRB assisted the INGO Forum to connect with KBZ, CB and AYA Banks to discuss the Know Your Customer (KYC) problems faced by banks and NGOs.

Garment Sector

In the garment sector, MCRB communicated with brands and multistakeholder member organisations such as the Ethical Trading Initiative, Fairwear Foundation, and the Fair Labor Association to share advice on HRDD. MCRB (re)built links with Action Labor Rights, Labour Power Group, Yaung Chi Oo Workers Association, Solidarity Trade Union of Myanmar and Coordination Committee of Trade Unions to discuss their operational challenges and needs, and the situation of garment workers in Myanmar. This included discussing their views on the call for total divestment ('comprehensive economic sanctions').

Based on the labour groups' feedback, MCRB arranged training on the Open Apparel Registry (OAR) to help them identify which brands sourced from supplier factories with problems. In view of its value as a resource for promoting transparency in the garment sector, MCRB provided inputs to improve the quality of OAR's Myanmar data.

MCRB had regular coordination meetings with EuroCham Myanmar's Garment Advocacy Group, the EU delegation and the EU's SMART programme, and was invited to join the SMART Steering Committee. MCRB contributed much of the content to EuroCham Myanmar's May statement: The Garment Industry in Myanmar: Status Update and Current Dilemmas: Should We Stay or Should We Go.

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Emerging Human Rights risks were also highlighted by MCRB in two seminars co-hosted by the OECD and EuroCham Myanmar, one on heightened HRDD and the second a deep dive with over 250 participants on manufacturing with a garment focus. These were organised by the OECD as part of the Myanmar element of the EU/ILO/OECD Responsible Supply Chains in Asia project.

Responsible Exit

Given the rapid deterioration in Myanmar's economy stemming from the political unrest, the responsible exit of business increasingly became a theme on which MCRB gave guidance. MCRB published its first post-coup newsletter in May and contributed to the IHRB's blog 'Can Companies Continue to Operate Responsibly in Myanmar?' and a blog on "Staying or Leaving Myanmar? What's Needed is a Human Rights-led Approach", as well as providing extensive media commentary, on and off the record for foreign and local media outlets, appearing in 20 to 30 articles every quarter throughout 2021.

Support to Civil Society Organisations (CSOs)

First initiated in January, but then paused until the political and security situation become clearer, MCRB continued its online outreach to CSOs, partly to promote networking, but also to better inform MCRB's advice to business. In July, MCRB held a closed-door online 'knowledge roundtable' with CSOs and individual activists, including labour, disability and LGBT rights, and the environment. MCRB sought feedback from them on the local situation, including business activities, and discussed their needs and the potential for future cooperation.

Throughout the year, MCRB continued to focus on disability and business. For International Day of Persons with Disabilities 2021, MCRB, Shwe Minn Tha Foundation (Myanmar), and Myanmar Independent Living Initiative (MILI) held a webinar on "MSMEs, Disability Leadership and Inclusion in the Post COVID-19 World". The aim was to understand the current challenges experienced by MSMEs led by persons with a disability, how they are adjusting to the current economic situation and the support they need; and to explore how these businesses can access resources such as financial support and skills training.

Transparency and Corporate Governance

The research phase for the 7th Pwint Thit Sa / Transparency in Myanmar Enterprises (TiME) Report commenced in October in partnership with Yever, which is again working pro bono on assessments. The 2022 Pwint Thit Sa report is expected to assess over 270 companies in the same categories as in 2020. However, in addition to banks, all Myanmar insurance companies will be included in the Financial Institutions category. The 2020 Pwint Thit Sa report, launched in December 2020 assessed 260 companies and was downloaded almost 4000 times during 2021, in both English and Myanmar languages.

In response to the difficulty of obtaining accurate data about investment in Myanmar, MCRB embarked on the TRIM-MAP (Towards Responsible Investment in Myanmar) Project, which aims to provide freely accessible information to investors and others in the form of an online mapping tool and dashboards that will show investment overlayed with environmental, social and conflict information. The Project, being undertaken in partnership with Yever, Thibi, and overseen by an Advisory Group, builds on MCRB's work on extractives, tourism, oil palm, biodiversity, indigenous peoples, land and will ultimately support companies, investors and other stakeholders to identify cumulative impacts. It draws on the work of others including WWF, EITI, and OneMap Myanmar. Peace Nexus have provided a financial contribution towards the early development and piloting of the project in Tanintharyi Region. If successful, it could be expanded to other locations.

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Digital Rights

Although plans for a 5th Myanmar Digital Rights Forum had to be put on hold, MCRB continued to work on digital rights, surveillance, and the impacts on businesses and consumers of laws and restrictions on access to the internet. In addition to raising awareness of the importance of privacy and data protection with a variety of Myanmar stakeholders, this work also brought MCRB into contact with the emerging international debate on internet governance, privacy, artificial intelligence, and the responsibility of the private sector and regulators.

MCRB engaged with various organisations and meetings to share the Myanmar experience, including the United Nations Office of the UN Envoy on Technology, and actively participated in the follow-up to the High-Level Panel Report and Secretary-General's Roadmap on Digital Cooperation. MCRB also identified relevant work by other international organisations such as UNCTAD, ASEAN, the Asian and Pacific Training Centre for ICT for Development (APCICT/ESCAP), the International Telecommunication Union, to inform its work in Myanmar. MCRB also engaged with the Freedom Online Coalition, Global Network Initiative, Internet Society, IO Foundation, Center of Digital Technology and Society, and Asia Pacific Regional Internet Governance Forum 2021.

Following the arrest of a director of Myanmar Centre For Responsible Business Ltd by the military government in Myanmar in August 2022, the directors have been consulting with the six donor governments and partners, including how best to support MCRB's other staff members. The donors have indicated strong support and to find ways of supporting MCRB's work whilst also protecting staff. Directors currently believe the company to be a going concern and that funding will still be provided to IHRB in 2023 for Myanmar-related activities. They have the full support of IHRB trustees on this issue.

10. Protection of human rights defenders

Though the pandemic has prevented IHRB from building fresh contacts with human rights defenders (HRDs), as travel has been curtailed significantly, HRDs continue to be central to IHRB's thinking and we continue to make them a major plank of our work. For example, four Rafto laureates addressed students at the course in Bergen, and IHRB also offered comments to and participated in a workshop by the International Finance Corp/World Bank on measures the IFI is taking to stop reprisals against HRDs. Many of these comments were reflected in the report, and additionally IHRB spoke at the launch event. IHRB also raised HRD concerns at the Access Now forum in its conversation with the UNSR and Amnesty and participated in a closed-door meeting organised by the Resource Centre on Technology and HRDs.

As Co-Chair of the World Economic Forum's Human Rights Council (2020-22), IHRB's CEO, has led a programme of work to develop the Guidance for Board Members globally in relation Affected Stakeholders - including a major focus on Human Rights Defenders. During 2021, this work on human rights defenders was spearheaded by Harpreet Kaur (UNDP) and William Anderson (Adidas) with the support of many of the other Council members and interviews with companies and human rights defenders. This report will be launched in Davos in May 2022.

11. Shipping

As part of efforts to strengthen business practices closely linked to commodity trading via the Commodities programme. IHRB worked with the Sustainable Shipping Initiative and the Rafto Foundation for Human Rights to develop a Code of Conduct that charterers (i.e. commodity companies) can apply to ensure shipping companies undertake human rights due diligence and implement adequate policies to respect seafarers' rights. The Code of Conduct is accompanied by a self-assessment tool that is available for all shipowners and operators to assist in their human rights due diligence process. It also sits on the Rightship platform alongside additional guidance for providing evidence of progress (although as a self-assessment tool, it is not verified).

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The development of the Code of Conduct was accompanied by extensive research and consultation across the industry (including the STSA Shipping Committee) and represents a significant milestone in advancing the human rights agenda within the maritime sector. The Code and the self-assessment questionnaire were launched with a webinar, in mid-October, where panellists included trade union, civil society and business representatives. Publicity around the launch was significant, with amplification from the International Maritime Organization, ITF, and many industry bodies.

As the crew change crisis continued into 2021, IHRB worked with IMO, ILO, Office of the High Commissioner for Human Rights (OHCHR), and UN Global Compact to develop a tool for charterers, commodity and commodity trading companies, and container cargo owners, specifically to ensure Due Diligence around Maritime Human Rights Risks and the COVID-19 Crew Change Crisis. The resulting Guidance is available on the UN Global Compact website.

IHRB has worked with the Consumer Goods Forum to develop due diligence guidance for container cargo owners (consumer brands) that complements the work with charterers mentioned above. The Container Cargo Working Group, which includes some of the world's biggest brands and shipping companies, as well as seafarer representatives, and CSOs. The aim of this informal group is to gauge the needs of global brands around their awareness and visibility of human rights standards aboard ships that carry their goods, help to address their responsibilities, and lead them to using their combined leverage to improve crew welfare standards aboard container ships.

12. Sport and Human Rights

Whilst being a separate charity under UK law, the Centre for Sport and Human Rights (www.sporhumanrights.org) remained under the control of IHRB until July 2021 when it transitioned into an independent entity, with IHRB as one of 7 founding members.

13. IHRB Academy

IHRB's Masters course on Business and Human Rights, a popular annual module delivered over three weekends in September, October and November, were held online in 2021. The course is a joint endeavour with the Rafto Foundation for Human Rights and the University of Bergen's Department of Comparative Politics and is taught by a faculty of global experts from the worlds of business, academia and civil society.

During 2021, IHRB continued its relationship with the global CEMS network (30 of the leading business schools globally), delivering skills seminars in business and human rights for its Masters in Management course, in Finland, Norway and UK. IHRB repeated its academic placement programme for CEMS students in June and July 2021, with 10 students from globally disparate universities coming together to research and address programmatic issues.

14. Ongoing legacy work with the IHRB co-founded organisations

IHRB has a history of working in partnership with others to establish organisations, there are five organisations which IHRB still advises on their strategic direction.

These are:

- The Myanmar Centre for Responsible Business (MCRB), based in Yangon
- El Centro Regional de Empresas y Emprendimientos Responsables (CREER), based in Bogota
- World Benchmarking Alliance (the new home for the Corporate Human Rights Benchmark - CHRB)
- The Centre for Sport and Human Rights (CSHR), based in Geneva.
- IHRB Nordic, based in Denmark.

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Together with IHRB itself, these six organisations can be referred to as the "IHRB family". That said, CREER, CSHR and IHRB Nordic are fully independent legal entities with their own reporting structures and CHRB is now fully owned by the World Benchmarking Alliance. MCRB remains under the control of IHRB through MCRB Ltd.

ACHIEVEMENT AND PERFORMANCE

Fundraising activities

The Institute retains its independence from all funders and strives to operate with complete impartiality. We believe it is important that we accept funding from all major constituencies - in particular Governments, Business and Civil Society (Private Foundations) - as these represent some of the major groups involved in our work. We actively work towards an even distribution between these three sources of funding.

However, the following conditions apply to our solicitation and acceptance of funding:

- Government and Foundation funding is allocated to specific projects but only if the Institute's impartiality is respected.
- Business funding is only accepted as core funding with no conditions attached.

The Institute does not provide specific services to any business in return for funding received other than for training or stakeholder representation. The Institute does sometimes undertake advisory work with governments and inter-governmental bodies on a contractual basis.

The Institute will not take money from any organisation actively engaged in deliberate abuse of human rights or the undermining of development and progress with regard to business and human rights. From 2021, an additional requirement for donors is to have Net-Zero carbon commitments for 2050 at the latest.

The Institute publishes its funding sources and expenditure in accordance with UK Charity law.

Donations and grants made

Donations of £174,408 (2020 - £nil) were made by the Charity to IHRB Nordic and Yever during the year.

FINANCIAL REVIEW

Financial position

The charity's financial position is shown in detail on the balance sheet.

The charity holds circa £500,000 (approximately 3 months working capital) in unrestricted reserves and this reflects the Trustees' assessment of the charity's risks and ability to manage their financial impact.

Principal funding sources

The charity's principal funding sources are from grants and donations.

Investment policy and objectives

The Institute for Human Rights & Business Limited only uses the services of banks and other financial service providers who have a strong ethical investment and lending criteria. The Institute holds business current account and card services with The Co-operative Bank and deposit account services with Triodos Bank. The decision to use the services of these banks was made on an ethical basis.

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The cornerstones of corporate governance are ethical behaviour, accountability and openness. In recent years, corporate governance has also developed to reflect the interests of stakeholders other than shareholders. The 'triple bottom line' approach focuses on economic and financial stability, social responsibility and environmental responsibility with ethical investment policies and products.

FINANCIAL REVIEW

Reserves policy

The trustees view the holding of general reserves as an integral part of risk management to build organisational resilience against unexpected financial demands, and to be able to satisfactorily meet all current and known future liabilities. The reserves level is approximately three months of working capital, with plans to increase it to cover an optimal four month period.

Trustees and senior management monitor the financial position regularly to keep abreast of any upcoming risks that may impact on the reserves position. Trustees' approval is required before the reserve can be accessed.

This policy is reviewed periodically by the trustees, and the reserves level is adjusted based on perceived risks, and changes in financial commitments or contractual, statutory and legal obligations.

Risk management

The trustees have identified how and where risks should be managed and mitigated.

Under duty of prudence, the trustees have ensured that: the charity is and will remain solvent; charitable funds and assets are used reasonably, and only in furtherance of the charity's objects; undertaking activities that might place the charity's funds, assets or reputation at undue risk is avoided and special care when investing the funds of the charity, or borrowing funds for the charity to use is taken into consideration.

Under duty of care, the trustees have ensured that they seek external professional advice on all matters where there may be material risk to the charity, or where the trustees may be in breach of their duties.

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PLANS FOR FUTURE PERIODS

Commodities

In 2022 IHRB will strengthen the link between the Commodities and Just Transitions for All programmes, focussing on transition minerals such as copper, lithium and cobalt. IHRB has built constituencies representing the "Supply" (energy companies, mining and commodity companies), "Demand" (governments, cities, technology companies and other high energy users) as well as the "Financing" of the energy transition (multilateral and development banks, private banks, export credit agencies, impact investors). Following on from its event at COP26, IHRB plans to push the conversation on climate change to include just transition and protection of people both in the transition away from fossil fuels and the transition into renewable energy. As commodities such as copper, lithium and cobalt play such a huge role in the transition, but also present huge human rights risks, all IHRB's extensive activities around Just Transition are highly relevant to commodity traders.

IHRB will continue to promote the Guidance on Implementing the UNGPs for the Commodity Trading Sector - updating the website to include reference to new and upcoming legislative and other developments.

Digital Technology

In the coming year, IHRB will finalise its work on tech surveillance through reports and briefings, and engage more vigorously with platform policies on freedom of expression, content moderation, the spread of 'fake news' and hate speech.

Dignity by Design - Human Rights in the Built Environment

Bringing a human rights approach to "smart cities"

Following on from IHRB's input to an OHCHR/UN Habitat initiative on human security approaches to smart city development in Sihanoukville, Cambodia, in 2022, IHRB will work with UNDP Asia Pacific to develop a toolkit on smart cities, business and human rights in Asia, with recommendations for governments (particularly municipal government procurers of technology), the private sector (technology and implementation companies), and civil society.

Urban planning, human rights and just transition in Cartagena, Colombia

The findings from the fieldwork conducted by IHRB, Rafto Foundation and IHRB's sister organization in Colombia, CREER, in 2021 will inform recommendations for the city's new territorial plan, a workshop in planned for 2022 and development of ongoing partnerships with key actors in the city. This work will develop into similar efforts in other ports and coastal cities throughout the year.

Protection of Human Rights Defenders

In 2022, with travel regulations easing, IHRB plans to reach out more human rights defenders (HRDs) where appropriate, and learn from their experiences to shape better policy advice as well as make their stories reach more widely. IHRB is also in conversation with the Special Rapporteurs on HRDs and Freedom of Expression about possibly convening an event on tech platforms and HRDs. The World Economic Forum's Guidance Note for Boards on Affected Stakeholders will be launched in May 2022 and translated into a number of languages other than English, including Arabic, French, German, Spanish and Japanese. It will be disseminated to boards worldwide for road-testing and feedback during 2022.

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Just Transitions for All

IHRB's work on just transitions will focus on the full spectrum of transitional implications -out and in. In particular, IHRB will focus on two main areas:

- Encouraging constructive dialogue involving all relevant actors aimed at the further development of norms, standards, and safeguards relating to the implementation of Just Transition strategies by governments, businesses, and local authorities to ensure consistency with international human rights and labour standards.
- Establishing an independent, high-level, expert committee to offer authoritative human rights focused analysis of ongoing transition processes in specific locations.

We will also continue our long-standing work on commodity supply chains and the new challenges associated with the sourcing of much greater amounts of copper, lithium, cobalt, nickel and rare earth metals, as well as the production of key components such as batteries and solar panels. IHRB is actively engaged with policy makers on advancing the just transition, including through our accreditation to the UN Convention on Climate Change and ECOSOC consultative status with the UN Human Rights Council and other relevant inter-governmental bodies.

The planned work in Africa was delayed due to COVID-19, but a partnership will begin between IHRB and the Swiss Embassy in Pretoria focusing on the transition out of the coal industry. IHRB has also helped catalyze a major Just Transition programme within a major Swiss-based mining and commodity-trading giant, which includes closer analysis of cobalt extraction from DRC, as well as the transition out of coal in South Africa (as well as Colombia and Australia).

IHRB also intend on attending COP27 to grow the focus on Just Transition and plans to host a Wilton Park event in 2022 to help achieve this, as well as develop the independent expert committee set out above. Six place-based research programmes will be announced during 2022 to evidence the development of Just Transition norms.

Leadership Group for Responsible Recruitment and Migrant Workers programme

2022 will mark 10 years of the Dhaka Principles for Migration with Dignity, the framework which underpins our entire Migrant Workers programme. Amongst other activities we plan to produce a series of guest commentaries reflecting on every one of the 10 + 2 principles.

In 2022 we will extend our reach further with the establishment of a new regional hub in South Asia. With a focus on transnational migrant worker recruitment from India, Nepal and Bangladesh, work in the hub will allow closer engagement with recruitment corridors and stakeholders in these key countries of origin. This will complement the new workstream on the erosion of remittances to countries of origin through the servicing of recruitment debt. The new hub in South Asia will align and work closely with those in South East Asia and North America. There will also be a clear link to IHRB programmes in the Gulf.

In South East Asia we plan to continue to work with others in particular the IOM CREST programme on a number of initiatives across the region, and continue to build on our work with Japanese companies who are increasingly engaging with suppliers on ensuring migrant worker rights in Thailand, Taiwan, Malaysia and Vietnam. In particular we have been supportive of efforts to provide better access to grievance mechanisms for migrant workers. In Thailand we hope that the new Government Action Plan on Business and Human Rights may provide additional points of engagement to promote our agenda and expect to work closely with the UN organisations and some of the Leadership Group for Responsible Recruitment corporate members who have their own contacts within the Thai Government to achieve this.

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In North America we will continue to build the Responsible Recruitment Network and promote a range of activities to promote migrant worker rights. We have identified that the situation and challenges facing women migrant workers travelling through the corridors and particularly those employed in agriculture are currently absent from many existing initiatives. During 2022 we hope to explore this further, to gain a greater understanding of what is currently lacking and where we might add value. With others we also hope to continue advocacy begun in 2021 with the governments of Mexico and the USA to improve legislation and oversight of recruitment practices for low wage migrant workers in both countries.

Migrant Workers in Qatar

In partnership with ILO Qatar and Qatar's Ministry of Administrative Development, Labour and Social Affairs (ADLSA), IHRB will deepen its engagement with sectoral committees and local businesses to promote the implementation of the due diligence guidance tool and to build business capacity on responsible recruitment and employment. IHRB also hopes to host information sharing sessions with hotels, World Cup sponsors, the Supreme Committee for Delivery and Legacy and the Centre for Sport and Human Rights to discuss growing expectations and ongoing responsibilities in the context of the 2022 World Cup.

Migrant Workers in the GCC

IHRB will continue to undertake consultations with key stakeholders on the viability of an intra-Gulf platform to promote migrant rights and responsible business. Drawing on the research and consultation outcomes, IHRB will develop a platform strategy and business plan, which will inform the development of concrete plans and partnerships for the institutional launch of the platform before the end of 2022.

Myanmar

In 2022, IHRB will publish its report on responsible exit with the experience of Myanmar forming its core research, but also drawing from past contexts, such as apartheid-era South Africa, and reflect on the world changed by the Russian invasion of Ukraine and what it means for companies.

Shipping

IHRB will continue its work on promoting human rights of seafarers among charterers (commodity companies) and shipowners and operators, through the Code of Conduct for Charterers and the accompanying self-assessment questionnaire for shipowners and operators. The first annual report will be published in October 2022 and will provide a comprehensive analysis of uptake of the self-assessment tool, as hosted by RightShip, charting progress against commitments. This will be preceded by a series of communications exercises designed to promote the code and advocate for greater action within the maritime industry.

IHRB will work with the International Transport Workers Federation (ITF), SSI, the Mission to Seafarers and others to conduct outreach with seafarers and local welfare organisations to ensure better representation of worker voice in discussion with charterers and ship-owners and operators.

IHRB will co-host with Mission to Seafarers and SSI the first of an annual "Seafairer" roundtable in Singapore in October 2022 to coincide with the SSI members' annual forum. This will provide an important opportunity for structured and frank dialogue between seafarer representatives, welfare organisations, and union representatives and the companies that have made a commitment to implement the Code of Conduct.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

IHRB will widen its maritime work to include dockworkers and construction workers in port infrastructure, both important but overlooked links in the commodity supply chain from a human rights due diligence perspective. IHRB will engage with port operations - work that will span IHRB's shipping, built environment and migrant worker programmes.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, Memorandum and Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

During 2021, the Institute had eight trustees who were responsible for the governance of the charity and ensure that IHRB pursues the objects for which it was founded. Trustees have been selected based on their professional experience and expertise.

Trustees are required to declare any possible conflicts of interest and are therefore unlikely to hold decision-making positions in mainstream business or government during their tenure with the Institute. When recruiting for a new trustee, the Board will make a selection with the aim of having a balanced, well-informed, and effective trustee body that undertakes proper governance of IHRB. Individuals who are passionate about IHRB's purpose and aims and can bring relevant experience and knowledge to enhance the effectiveness of the charity will be sought out. IHRB staff will provide a shortlist of nominations of potential trustee candidates who meet agreed criteria, to which the Board can add nominations for consideration. The IHRB CEO and Deputy CEO, in consultation with colleagues, will advise trustees on the final selection, and facilitate an invitation from the Co-Chairs of the Board to the selected candidate(s). Possible new trustees undertake a period of observer status, usually joining at least one IHRB trustee meetings before their appointment is formalised. The Board will undertake appropriate due diligence to ensure that those who have been disqualified from serving as a trustee are not approached. Additionally, consideration will be made to not making trustee appointments which would potentially give rise to conflicts of interest.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Institute for Human Rights and Business is governed by a board of trustees. Trustee meetings take place at least four times a year, usually by phone. The trustees are regularly informed of financial matters, the progress of the Institute towards its charitable objects, and the success of relevant outputs and impacts relating to each of the programmes. The CEO reports to the board of trustees and runs IHRB on a day-to-day basis. The CEO and Deputy CEO consult the trustees on key and strategic decisions and ultimately manage the IHRB team.

The IHRB International Advisory Council provides guidance to trustees and staff about strategic matters and usually meet once a year. The International Advisory Council includes the Board of Trustees and members offer their time and expertise in an unpaid capacity. The other members of the IHRB International Advisory Council have been selected for their global expertise in all areas of business and human rights. All Council members are distinguished in their relevant fields, and bring specialisms that inform and enrich the charity's work. IHRB aims to have representation from all sectors - business, academia, research and civil society - and strives for the Council to be as diverse and representative as possible in terms of gender, ethnicity, age, as well as professional background and skills.

The CREER Centre is independently registered under Colombian law, and sits outside of the direct control of IHRB or its Trustees. The IHRB CEO and Deputy CEO are represented on the CREER Board. The Myanmar Centre for Responsible Business is registered in the UK as MCRB Ltd with a branch office in Myanmar, and two IHRB trustees sit on the Board of MCRB Ltd, as well as the IHRB CEO. The Centre for Sport and Human Rights became an independent entity in 2021, with IHRB as one of 7 founding members, represented by one IHRB trustee and the Deputy CEO. IHRB Nordic is registered as a charitable association in Denmark, and IHRB is one of two members, and the CEO and Deputy CEO sit on the Board.

IHRB annually reviews the salary levels for its core team using the job market in order to be competitive with professional roles in the international NGO sector. Pay reflects the need to attract and retain staff with the leadership, experience, skills and knowledge required to contribute to the work of a dynamic and influential charity. Salary levels also reflect responsibilities and performance. Employees are paid with a salary at least in line with guidance from the Campaign for a Living Wage.

In total, across the "IHRB family" of organisations, there are now 43 staff worldwide. The Institute's core staff and consultants during 2021 were:

John Morrison (CEO)
Frances House (Deputy CEO)
Scott Jerbi (Senior Advisor, Policy and Outreach)
Salil Tripathi (Senior Advisor, Global Issues)
Vicky Bowman (Director, Myanmar Centre for Responsible Business)
Vanessa Bissessur (Chief Operating Officer)
Julia Borgianni-Batho (Head of Labour Rights)
Haley St Dennis (Head of Communications)
Denise Derbyshire (Administrator)
Francesca Fairbairn (Shipping and Commodities Manager)
Kathy McLeish (Governance Officer)
Carmen Pedraza (Communications Officer, Migrant Workers programme)
Alejandra Rivera (Research Consultant)
William Rook (Senior Advisor, Middle East)

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Deborah Sago (Communications Officer)
Annabel Short (Built Environment Senior Advisor)
Guna Subramaniam (South East Asia Regional Advisor, Migrant Workers Programme)
Neill Wilkins (Head of Migrant Workers programme)

In addition, the Institute currently has thirteen Research Fellows.

Mary Robinson and Chris Marsden are Patrons of IHRB. The members of the International Advisory Council are S Batliwala, N Chanda, B Edlund, I Hilton, K Hyland, W Kimathi, M Kjaerum, A Ramasastry, M Taylor and M Wallstrom. L Fernando de Angulo, V Bowman, M Harvey and D Neale are ex-officio members. All IHRB Trustees are also members of the International Advisory Council.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06882940 (England and Wales)

Registered Charity number

1131790

Registered office

Railview Lofts
19c Commercial Road
Eastbourne
East Sussex
BN21 3XE

Trustees

L R Lindsay (resigned 30.6.21)
D L Kemp
R J D Popper
N Black
P Goyer
R Kunanayagam
D D'Ambrosio Solicitor (appointed 12.5.21)
D Khan Solicitor (appointed 12.5.21)

Auditors

Myrus Smith
Statutory Auditors
Norman House
8 Burnell Road
Sutton
Surrey
SM1 4BW

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Co-Operative Bank
PO Box 250
Delf House
Skelmerdale
WN8 6WT

Accountants

LMDB Accountants
Railview Lofts
19c Commercial Road
Eastbourne
East Sussex
BN21 3XE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Institute For Human Rights & Business Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 auditors are unaware; and
- 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 auditors are aware of that information.

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 27 September 2022 and signed on its behalf by:

D D'Ambrosio - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

Opinion

We have audited the financial statements of Institute For Human Rights & Business Limited (the 'parent charitable company') and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise the Group Statement of Financial Activities, the Group and the Parent Charitable Company Balance Sheet, 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 Financial Reporting Standard 102 Schedule 1A 'The Financial Reporting Standard applicable in the UK and Republic of 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 2021 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Report of the Trustees.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the parent 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's and the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance on the actual and potential litigation and claims, and also any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Professional scepticism in course of the audit and with audit sampling in material audit areas.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

Use of our report

This report is made solely to the group and parent 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 group and parent charitable company's members those matters we are required to state to them in an auditors' 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 group and parent charitable company and the group and parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Jones FCA (Senior Statutory Auditor)
for and on behalf of Myrus Smith
Statutory Auditors
Norman House
8 Burnell Road
Sutton
Surrey
SM1 4BW

Date: 27 September 2022

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	1,192,926	1,963,556	3,156,482	4,006,650
Commercial trading operations	4	55,358	-	55,358	48,069
Investment income	5	321	-	321	1,118
Other income - rent receivable		-	-	-	8,577
Total		<u>1,248,605</u>	<u>1,963,556</u>	<u>3,212,161</u>	<u>4,064,414</u>
EXPENDITURE ON					
Raising funds	6	9,917	-	9,917	24,222
Commercial trading operations		45,037	-	45,037	41,777
Charitable activities	8				
Migrant workers and work with dignity		142,487	656,423	798,910	463,336
Myanmar Centre for Responsible Business		-	567,269	567,269	501,241
Centre for Sport and Human Rights		905,452	729,620	1,635,072	1,107,000
HRD and Discrimination		73,819	-	73,819	85,437
Shipping and Commodities		104,565	107,656	212,221	283,760
High Risk Markets		18,822	-	18,822	48,592
Built Environment		59,013	222,051	281,064	86,671
Just Transition		97,823	53,036	150,859	183,603
Total		<u>1,456,935</u>	<u>2,336,055</u>	<u>3,792,990</u>	<u>2,825,639</u>
NET INCOME/(EXPENDITURE)		(208,330)	(372,499)	(580,829)	1,238,775
RECONCILIATION OF FUNDS					
Total funds brought forward	14	807,956	1,998,048	2,806,004	1,567,229
TOTAL FUNDS CARRIED FORWARD		<u>599,626</u>	<u>1,625,549</u>	<u>2,225,175</u>	<u>2,806,004</u>

There are no recognised gains or losses other than those disclosed above. All results derive from continuing operations

The notes form part of these financial statements

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**CONSOLIDATED BALANCE SHEET
31 DECEMBER 2021**

	Notes	Consolidated 2021 £	Consolidated 2020 £	Charity 2021 £	Charity 2020 £
FIXED ASSETS					
Tangible assets	15	1,926	8279	1,926	2,585
Investments	16	-	-	2	2
		1,926	8,279	1,928	2,587
CURRENT ASSETS					
Debtors: amounts falling due within one year	17	591,104	1,434,182	701,220	1,160,460
Cash at bank		1,955,684	1,629,214	1,825,994	1,270,459
		2,546,788	3,063,396	2,527,214	2,430,919
CREDITORS					
Amounts falling due within one year	18	(323,539)	(265,671)	(309,469)	(152,996)
NET CURRENT ASSETS		2,223,249	2,797,725	2,217,745	2,277,923
TOTAL ASSETS LESS CURRENT LIABILITIES		2,225,175	2,806,004	2,219,673	2,280,510
NET ASSETS		2,225,175	2,806,004	2,219,673	2,280,510
FUNDS					
Unrestricted funds	19	599,626	807,957	594,125	478,815
Restricted funds	19	1,625,549	1,998,047	1,625,548	1,801,695
TOTAL FUNDS		2,225,175	2,806,004	2,219,673	2,280,510

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 27 September 2022 and were signed on its behalf by:

D D'Ambrosio - Trustee

The notes form part of these financial statements

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>331,610</u>	<u>428,923</u>
Net cash provided by operating activities		<u>331,610</u>	<u>428,923</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(5,987)	(7,373)
Sale of tangible fixed assets		525	-
Interest received		<u>321</u>	<u>1,118</u>
Net cash used in investing activities		<u>(5,141)</u>	<u>(6,255)</u>
Cash flows from financing activities			
(Increase)/Decrease in group debtors		<u>-</u>	<u>-</u>
Net cash provided by financing activities		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		326,469	422,668
Cash and cash equivalents at the beginning of the reporting period		<u>1,629,214</u>	<u>1,206,546</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,955,683</u></u>	<u><u>1,629,214</u></u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(580,829)	1,238,775
Adjustments for:		
Depreciation charges	3,659	4,358
(Profit)/loss on disposal of fixed assets	8,156	367
Interest received	(321)	(1,118)
Decrease/(increase) in debtors	843,077	(828,445)
Increase/(decrease) in creditors	<u>57,868</u>	<u>14,986</u>
Net cash provided by operations	<u><u>331,610</u></u>	<u><u>428,923</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.21 £	Cash flow £	At 31.12.21 £
Net cash			
Cash at bank	<u>1,629,214</u>	<u>326,469</u>	<u>1,955,683</u>
	<u>1,629,214</u>	<u>326,469</u>	<u>1,955,683</u>
Total	<u><u>1,629,214</u></u>	<u><u>326,469</u></u>	<u><u>1,955,683</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. STATUTORY INFORMATION

Institute for Human Rights & Business Limited is a private company, limited by guarantee, registered in England and Wales.

The company's registered office address is:

Railview Lofts,
19c Commercial Road,
Eastbourne,
East Sussex,
BN21 3XE

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic Ireland', the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Preparation of the accounts on a going concern basis

The trustees are not aware of any material uncertainties about the charity's ability to continue as a going concern.

Preparation of consolidated financial statements

The financial statements contain information about Institute For Human Rights & Business Limited as an individual charity and do not contain consolidated financial information as the parent of a group. The company is required to prepare consolidated accounts under the Charities Act 2011 and will do so in addition to preparing these financial statements for the individual charity.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grant income is recognised when there is formal offer of funding communicated in writing to the charity which does not relate wholly to future accounting periods.

The value of donated services are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the charity can be reliably measured. An equivalent amount will be included as expenditure under the relevant heading in the Statement of Financial Activities.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES - continued

Income

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Allocation and apportionment of costs

All costs are allocated between expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned according to time spent on each activity during the period.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 33% on cost

Tangible fixed assets, excluding investments are initially measured at cost and subsequently stated at depreciated historic cost.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Pension costs are allocated to activities on the same basis as set out in the allocation and apportionment of costs policy stated above. Pension costs and liabilities are allocated to restricted and unrestricted reserves based on the allocation of labour time to the charities various funds.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the charity becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and are initially measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due. Cash and cash equivalents are classified as basic financial instruments and comprise cash at bank and short-term bank deposits with an original maturity of three months or less which are an integral part of the charity's cash management.

Financial liabilities issued by the company are classified in accordance with the substance of the contractual arrangements entered into and meet the definitions of a financial liability.

Financial assets are de-recognised when:

- the contractual rights to the cash flows from the financial asset expire or are settled; or
- the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the charity despite having retained some but not all significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are de-recognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments in subsidiaries

Investments in group companies are stated at cost less any identified impairment. An impairment review is undertaken annually by the trustees.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. DONATIONS AND LEGACIES

	2021	2020
	£	£
Business donations	418,590	931,423
Foundation grants	1,821,320	1,221,774
Government grants	526,420	1,343,560
Sports Body Donations	<u>390,152</u>	<u>509,893</u>
	<u>3,156,482</u>	<u>4,006,650</u>

Grants recognised as income included multi-year grants for the Myanmar Centre For Responsible Business, the Migrant Workers, Built Environment and Shipping and Commodities programmes. Income is recognised in the year in which the grants were agreed whilst the grant funding was for various periods ending up to 30 September 2022.

4. COMMERCIAL TRADING ACTIVITIES

	2021	2020
	£	£
Consultancy	<u>55,358</u>	<u>48,069</u>

5. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	<u>321</u>	<u>1,118</u>

6. RAISING FUNDS

	2021	2020
	£	£
Staff costs	3,526	10,064
Insurance	498	695
Telephone	208	540
Postage and stationery	13	30
Sundries	172	203
Bank charges	19	16
Consultancy	3,341	10,258
Training	194	17
Website	172	182
Office rent	97	94
IT expenses	242	104
Accountancy and back office support	1,019	1,264
Travel and accommodation	226	112
Exchange rate variances	140	577
Depreciation	<u>50</u>	<u>66</u>
	<u>9,917</u>	<u>24,222</u>

Raising funds are a support cost of the charity.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. SUBSIDIARY INCOME AND COSTS

The wholly owned trading subsidiaries IHRB Trading Ltd and Myanmar Centre for Responsible Business Limited are both incorporated in the United Kingdom and pay all of their distributable profits to the parent charity by gift aid. The parent charity owns the entire share capital in each subsidiary, being 1 ordinary share of £1 for each company. A summary of the trading results whilst part of the group is shown below.

IHRB Trading Ltd	2021	2020
	£	£
Turnover	55,358	48,069
Other income	-	-
Administration and other costs	<u>(45,036)</u>	<u>(41,778)</u>
Operating profit/(loss)	<u>10,322</u>	<u>6,291</u>
Net income	10,322	6,291
Amount gift aided to the charity	<u>-</u>	<u>-</u>
Retained in subsidiary	<u>10,322</u>	<u>6,291</u>

As at December 2021, IHRB Trading Ltd had net liabilities of £12,905 (2020 - net liabilities of £23,227). This comprised assets of £96,966 (2020 - £59,577) and liabilities of £109,871 (2020 - £82,804).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. SUBSIDIARY INCOME AND COSTS - continued

Myanmar Centre for Responsible Business Limited	2021	2020
	£	£
Turnover	246,124	292,639
Other income	-	-
Administration and other costs	<u>(246,124)</u>	<u>(292,639)</u>
Operating profit/(loss)	<u>-</u>	<u>-</u>
Net income	-	-
Amount gift aided to the charity	<u>-</u>	<u>-</u>
Retained in subsidiary	<u>-</u>	<u>-</u>

As at December 2021, Myanmar Centre for Responsible Business Limited had net assets of £1 (2020 - £1). This comprised assets of £29,244 (2020 - £62,581) and liabilities of £29,243 (2020 - £62,580).

IHRB USA	2021	2020
	£	£
Turnover	-	-
Other income	-	-
Administration and other costs	<u>20</u>	<u>(358)</u>
Operating profit/(loss)	<u>20</u>	<u>(358)</u>
Net income	20	(358)
Amount gift aided to the charity	<u>-</u>	<u>-</u>
Retained in subsidiary	<u>20</u>	<u>(358)</u>

As at December 2021, IHRB USA had net assets of £8,086 (2020 - £8,066). This comprised assets of £8,086 (2020 - £8,066) and liabilities of £Nil (2020 - £Nil).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. SUBSIDIARY INCOME AND COSTS - continued

Centre for Sport and Human Rights Limited	2021	2020
	£	£
Turnover	1,117,644	1,599,123
Other income	-	-
Administration and other costs	(1,635,073)	(1,119,258)
Operating profit/(loss)	(517,429)	479,865
Net income	(517,429)	479,865
Amount gift aided to the charity	-	-
Retained in subsidiary	(517,429)	479,865

In July 2021, Centre for Sport and Human Rights Limited ceased to form part of the group. The values stated for 2021 relate to the period of group membership.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 9) £	Support costs (see note 10) £	Totals £
Migrant workers and work with dignity	591,641	-	207,269	798,910
Myanmar Centre for Responsible Business	382,451	98,648	86,170	567,269
Centre for Sport and Human Rights	1,351,630	-	283,442	1,635,072
HRD and Discrimination	43,474	-	30,345	73,819
Shipping and Commodities	148,762	-	63,459	212,221
High Risk Markets	14,182	-	4,640	18,822
Built Environment	153,905	75,760	51,399	281,064
Just Transition	129,619	-	21,240	150,859
	<u>2,815,664</u>	<u>174,408</u>	<u>747,964</u>	<u>3,738,036</u>

Comparatives for the year ended 31 December 2020:

	£	£	£	£
Totals	<u>2,159,056</u>	<u>-</u>	<u>600,584</u>	<u>2,759,640</u>

9. GRANTS PAYABLE

	2021 £	2020 £
Myanmar Centre for Responsible Business	98,648	-
Built Environment	<u>75,760</u>	<u>-</u>
	<u>174,408</u>	<u>-</u>

The total grants paid to institutions during the year was as follows:

	2021 £	2020 £
IHRB Nordic	75,760	-
Yever	<u>98,648</u>	<u>-</u>
	<u>174,408</u>	<u>-</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. SUPPORT COSTS

	Management £	Finance £	Information technology £	Governance costs £	Totals £
Migrant workers and work with dignity	193,383	296	11,348	2,242	207,269
Myanmar Centre for Responsible Business	66,765	149	16,868	2,388	86,170
Centre for Sport and Human Rights	248,961	769	33,712	-	283,442
HRD and Discrimination	28,312	44	1,674	315	30,345
Shipping and Commodities	59,279	90	3,442	648	63,459
High Risk Markets	4,327	7	258	48	4,640
Built Environment	48,003	73	2,797	526	51,399
Just Transition	<u>19,815</u>	<u>31</u>	<u>1,173</u>	<u>221</u>	<u>21,240</u>
	<u>668,845</u>	<u>1,459</u>	<u>71,272</u>	<u>6,388</u>	<u>747,964</u>

Comparatives for the year ended 31 December 2020:

	£	£	£	£	£
Totals	<u>528,163</u>	<u>2,163</u>	<u>58,817</u>	<u>11,441</u>	<u>600,584</u>

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Auditors' remuneration	6,388	4,000
Audit of trading subsidiaries	4,248	4,817
Depreciation - owned assets	1,887	4,358
Surplus/(deficit) on disposal of fixed assets	<u>8,156</u>	<u>366</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. TRUSTEES' REMUNERATION AND BENEFITS - continued

Trustees' expenses

During the year no trustees (2020 - one) were reimbursed expenses as follows:

	2021	2020
	£	£
Travel expenses	<u>-</u>	<u>416</u>

13. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	960,602	1,004,112
Social security costs	95,787	98,555
Other pension costs	<u>71,283</u>	<u>57,360</u>
	<u>1,127,672</u>	<u>1,160,027</u>

The key management personnel of the charity comprise the trustees, the Chief Executive Officer and his deputy. The total employee benefits of the key management personnel of the charity were £459,677 (2020 - £631,506).

Under FRS 102, employee benefits include gross salary, benefits in kind, employer's social security and employer pension costs.

The average monthly number of employees during the year was as follows:

	2021	2020
	<u>35</u>	<u>26</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
£60,001 - £70,000	1	1
£70,001 - £80,000	4	1
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1
£100,001 - £110,000	1	1
£140,001 - £150,000	1	1
£190,001 - £200,000	1	-
£200,001 - £210,000	<u>-</u>	<u>1</u>
	<u>10</u>	<u>7</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. STAFF COSTS - continued

Retirement benefits are accruing to five employees (2020 - six) earning over £60,000 per annum. The total pension contributions paid in respect of said employees was £46,539 for the year ended 31 December 2021 (2020 - £28,126).

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,291,415	2,715,235	4,006,650
Commercial trading operations	48,069	-	48,069
Investment income	611	507	1,118
Other income - rent receivable	-	8,577	8,577
Total	1,340,095	2,724,319	4,064,414
EXPENDITURE ON			
Raising funds	24,222	-	24,222
Commercial trading operations	41,777	-	41,777
Charitable activities			
Migrant workers and work with dignity	36,595	426,741	463,336
Technology	-	-	-
Myanmar Centre for Responsible Business	-	501,241	501,241
Centre for Sport and Human Rights	319,620	787,380	1,107,000
HRD and Discrimination	85,437	-	85,437
Shipping and Commodities	124,125	159,635	283,760
High Risk Markets	30,155	18,437	48,592
Built Environment	70,003	16,668	86,671
Just Transition	108,602	75,001	183,603
Total	840,536	1,985,103	2,825,639
NET INCOME/EXPENDITURE	499,559	739,216	1,238,775
RECONCILIATION OF FUNDS			
Total funds brought forward	308,397	1,258,832	1,567,229
TOTAL FUNDS CARRIED FORWARD	807,956	1,998,048	2,806,004

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. TANGIBLE FIXED ASSETS - GROUP

	Computer equipment £
COST	
At 1 January 2021	22,621
Additions	5,987
Disposals	<u>(17,483)</u>
At 31 December 2021	<u>11,125</u>
DEPRECIATION	
At 1 January 2021	14,342
Charge for year	3,659
Eliminated on disposal	<u>(8,802)</u>
At 31 December 2021	<u>9,199</u>
NET BOOK VALUE	
At 31 December 2021	<u>1,926</u>
At 31 December 2020	<u>8,279</u>

TANGIBLE FIXED ASSETS - CHARITY

	Computer equipment £
COST	
At 1 January 2021	12,494
Additions	1,229
Disposals	<u>(2,598)</u>
At 31 December 2021	<u>11,125</u>
DEPRECIATION	
At 1 January 2021	9,909
Charge for year	1,887
Eliminated on disposal	<u>(2,597)</u>
At 31 December 2021	<u>9,199</u>
NET BOOK VALUE	
At 31 December 2021	<u>1,926</u>
At 31 December 2020	<u>2,585</u>

Fixed assets are not capitalised below the value of £250.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 January 2021 and 31 December 2021	<u>2</u>
NET BOOK VALUE	
At 31 December 2021	<u>2</u>
At 31 December 2020	<u>2</u>

The above shares in group undertakings represent investment assets held in the UK. In addition the company is a member of one company incorporated in the USA without share capital.

The company's investments at the balance sheet date in the share capital of companies include the following:

IHRB Trading Limited

Registered office: Railview Lofts, 19C Commercial Road, Eastbourne, East Sussex, BN21 3XE

Nature of business: Consultancy Services

	% holding	2021 £	2020 £
Class of share:			
Ordinary	100		
Aggregate capital and reserves		(12,905)	(23,227)
Profit for the year		<u>10,322</u>	<u>6,291</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. FIXED ASSET INVESTMENTS - continued

Myanmar Centre For Responsible Business Limited

Registered office: Railview Lofts, 19C Commercial Road, Eastbourne, East Sussex, BN21 3XE

Nature of business: Consultancy Services

	% holding	2021 £	2020 £
Class of share:			
Ordinary	100		
Aggregate capital and reserves		<u>1</u>	<u>1</u>

IHRB USA

Country of incorporation: USA

Nature of business: Charity

The above company is incorporated without share capital, with the Institute For Human Rights and Business being the sole member.

	2021 £	2020 £
Aggregate capital and reserves	8,086	8,066
Surplus / (Deficit) for year	<u>20</u>	<u>(358)</u>

17. DEBTORS – GROUP AND CHARITY

AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade debtors	227,342	295,755	226,142	59,509
Other debtors	3,751	13,622	345	345
Amounts owed by group undertakings	-	-	114,722	115,124
Accrued income	337,601	1,074,127	337,601	952,745
Prepayments	<u>22,410</u>	<u>50,678</u>	<u>22,410</u>	<u>32,737</u>
	<u>591,105</u>	<u>1,434,182</u>	<u>701,220</u>	<u>1,160,460</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. CREDITORS – GROUP AND CHARITY

AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	35,466	75,170	33,234	24,307
Social security and other taxes	17,011	26,757	16,879	17,390
Other creditors	29,861	9,398	27,986	8,688
Accrued expenses	11,215	13,299	9,415	8,102
Deferred income	105,306	141,047	97,275	94,509
Grants payable	<u>124,680</u>	<u>-</u>	<u>124,680</u>	<u>-</u>
	<u>323,539</u>	<u>265,671</u>	<u>309,469</u>	<u>152,996</u>

Deferred grant income brought forward from 2020 of £94,509 has been released during the year.

Deferred income as at 31 December 2021 includes grant funding received in the period of £97,275. The grants have been made for activities in 2022.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

19. MOVEMENT IN FUNDS

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds				
General fund	407,956	(208,330)	(100,000)	99,626
Contingency reserve	<u>400,000</u>	<u>-</u>	<u>100,000</u>	<u>500,000</u>
	807,956	(208,329)	-	599,626
Restricted funds				
Migrant workers and work with dignity	450,509	352,878	-	803,387
Myanmar Centre for Responsible Business	985,631	(424,762)	-	560,869
Centre for Sport and Human Rights	196,352	(196,352)	-	0
High Risk Markets	39,812	(39,812)	-	-
Built Environment	214,472	46,821	-	261,293
Shipping and Commodities	111,272	(111,272)	-	-
Just Transition	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,998,047</u>	<u>(372,499)</u>	<u>-</u>	<u>1,625,549</u>
TOTAL FUNDS	<u><u>2,806,004</u></u>	<u><u>(580,828)</u></u>	<u><u>-</u></u>	<u><u>2,225,175</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,248,605	(1,456,935)	(208,330)
Restricted funds			
Migrant workers and work with dignity	1,009,302	(656,424)	352,878
Myanmar Centre for Responsible Business	142,507	(567,269)	(424,762)
Centre for Sport and Human Rights	533,268	(729,620)	(196,352)
High Risk Markets	(39,812)	-	(39,812)
Built Environment	268,872	(222,051)	46,821
Shipping and Commodities	(3,617)	(107,655)	(111,272)
Just Transition	<u>53,036</u>	<u>(53,036)</u>	<u>-</u>
	<u>1,963,556</u>	<u>(2,336,055)</u>	<u>(372,499)</u>
TOTAL FUNDS	<u><u>3,212,161</u></u>	<u><u>(3,792,990)</u></u>	<u><u>(580,829)</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	(91,603)	499,559	407,956
Contingency reserve	<u>400,000</u>	<u>-</u>	<u>400,000</u>
	308,397	499,559	807,956
Restricted funds			
Migrant workers and work with dignity	232,049	218,459	450,508
Myanmar Centre for Responsible Business	778,498	207,133	985,631
Centre for Sport and Human Rights	174,230	22,122	196,352
High Risk Markets	-	39,812	39,812
Built Environment	-	214,472	214,472
Shipping and Commodities	<u>74,054</u>	<u>37,218</u>	<u>111,272</u>
	<u>1,258,831</u>	<u>739,216</u>	<u>1,998,047</u>
TOTAL FUNDS	<u><u>1,567,229</u></u>	<u><u>1,238,775</u></u>	<u><u>2,806,004</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,340,095	(840,536)	499,559
Restricted funds			
Migrant workers and work with dignity	645,200	(426,741)	218,459
Myanmar Centre for Responsible Business	708,374	(501,241)	207,133
Centre for Sport and Human Rights	809,502	(787,380)	22,122
High Risk Markets	58,249	(18,437)	39,812
Built Environment	231,140	(16,668)	214,472
Shipping and Commodities	196,853	(159,635)	37,218
Just Transition	<u>75,001</u>	<u>(75,001)</u>	<u>-</u>
	<u>2,724,319</u>	<u>(1,985,103)</u>	<u>739,216</u>
TOTAL FUNDS	<u><u>4,064,414</u></u>	<u><u>(2,825,639)</u></u>	<u><u>1,238,775</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

19. MOVEMENT IN FUNDS - continued

Unrestricted funds represent monies given to the charity without restrictions.

The trustees have a reserves policy of keeping approximately 3 months of working capital in reserves. Unrestricted reserves held as at 31 December 2021 are broadly in line with the policy. As an extension to the policy, £500,000 (£400,000) of unrestricted reserves have been designated as a contingency reserve. The charity is not able to access these funds without trustees' prior approval.

Restricted funds represent monies given to the charity for a particular activity as follows:

Migrant Workers and Work with Dignity: Strengthening protection of migrant worker rights and examining the responsibilities of recruitment agencies.

Centre for Sport and Human Rights: Human rights in the context of sporting events (FIFA World Cup, Olympic Games etc).

Myanmar Centre For Responsible Business: An initiative to encourage responsible business activities throughout Myanmar.

High Risk Markets: Programme related specifically to responsible business conduct in high-risk environments, which includes the role that investors, local companies and governments should play.

Shipping and Commodities: Identifying and developing human rights lifecycle and principles relating to Maritime Sector and work on the extractive sector aiming to embed the protection of and respect for human rights, transparency, and accountability.

Built Environment: Exploring the extent to which built environment promotes, threatens or diminishes human dignity

Human Rights Defenders and Discrimination: Protecting human rights defenders and challenging business and discriminatory practices.

Just Transition: Visible framing for government and business action on climate change.

20. EMPLOYEE BENEFIT OBLIGATIONS

The charity contributed to defined contribution pension schemes for all of the employees during the period. Contributions of £71,283 (2020 - £57,360) have been charged to the Statement of Financial Activities for the period under review. As at 31 December 2021 there were no unpaid contributions (2020 - £nil).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. RELATED PARTY DISCLOSURES

IHRB Trading Limited

Subsidiary company

As at 31 December 2021 the subsidiary owed the charity £95,801 (2020 - £67,916). An impairment loss has been provided on the loan of £10,322 (2020: £23,228). Provision was made in a prior period. The loan by the charity has no fixed repayment term and is interest free.

Myanmar Centre For Responsible Business Limited

Subsidiary company

The balance due from the subsidiary at the balance sheet date was £29,243 (2020 - £62,582). This loan to the subsidiary has no fixed repayment term and is interest free.

Expenses of £246,124 (2020 - £292,639) were recharged by the subsidiary to the charity during the year.

Centre for Sport and Human Rights Limited

Former subsidiary company

Centre for Sport and Human Rights Limited left the group in July 2021. As at 31 December 2021 the subsidiary owed the charity £nil (2020 - £7,854). The loan by the charity had no fixed repayment term and is interest free.

Upon leaving the group the subsidiary had net assets of £903,400. This amount has been recognised as a donation in the consolidated accounts.

22. CONTINGENT ASSETS

The charity has been awarded grants totalling £446,826, which are for time periods that commence after the balance sheet date. As the charity is presently unable to receive or expend these funds they are not recognised in income in the reporting period.

INSTITUTE FOR HUMAN RIGHTS & BUSINESS LIMITED

England & Wales - Charity number 1131790

Accounts

REGISTERED COMPANY NUMBER: 06882940 (England and Wales)
REGISTERED CHARITY NUMBER: 1131790

REPORT OF THE TRUSTEES AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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INSTITUTE FOR HUMAN RIGHTS & BUSINESS LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees who are also directors of the parent charity for the purposes of the Companies Act 2006, present their report with the financial statements of the parent charity and subsidiary undertakings for the year ended 31 December 2020. The trustees have adopted the provisions of 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Institute for Human Rights and Business (IHRB) is the leading international think tank on business and human rights. IHRB's mission is to shape policy, advance practice and strengthen accountability in order to make respect for human rights part of everyday business.

IHRB serves as an independent voice on human rights and business issues around the world and holds ECOSOC Special Consultative status within the United Nations. IHRB works across its programmes with public and private sector partners in both developing and developed countries and:

- produces in-depth reports, practical briefings and regular commentaries
- provides trusted and impartial advice to governments, businesses and international organisations
- brings together diverse stakeholders in collective action programmes to achieve significant impact

IHRB prioritises its work through time-bound programmes that can have the greatest impact, leverage and catalytic effect, focusing both on:

- Geographic programmes: Countries in economic and political transition
- Thematic programmes: Business sectors that underpin globalisation, in relation to the flow of: information, finance, workers and commodities. This includes collective-action leadership involving different stakeholders.

In this way IHRB sees human rights in business as both a "competitive" and "pre-competitive" issue between governments and businesses.

Significant activities

In order to achieve its objectives, IHRB works through both its geographic, regional programmes and its global, thematic programmes, with public and private sector partners in both developing and developed countries. In order to achieve these objectives, IHRB has so far participated in the founding of four separate organisations:

- **Myanmar Centre for Responsible Business (MCRB)**, in partnership with the Danish Institute for Human Rights (DIHR);
- **Centro Regional de Empresas y Emprendimientos Responsables (CREER)** in Colombia;
- **The Corporate Human Rights Benchmark (CHRB)** a global initiative ranking the world's largest publicly listed companies and led by an alliance of investors and NGOs;
- **The Centre for Sport and Human Rights (CSHR)** which has an advisory council of 44 different organisations.

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OBJECTIVES AND ACTIVITIES

Furthermore, IHRB maintains additional in-house initiatives, with two more currently in development:

- **"Employer Pays Principle": The Leadership Group on Responsible Recruitment**, founded in 2016, a collective action approach working to abolish all worker fees to recruitment agents worldwide by 2026 consisting of major brands, UN agencies and civil society organisations.
- **"Dignity by Design"**: human rights in the built environment, a collective action initiative launched in 2020.
- **"Just Transitions for All"**: human rights and climate change, an evidence-based approach to the social implications of preventing climate change and building resilience also launched during 2020.

IHRB's thematic work can be described as strategic interventions in a number of key 'flows' fundamental to social and economic development, namely flows of:

- **Workers** - the Migrant Workers and Work with Dignity programme encompasses the "Dhaka Principles for Migration with Dignity" which is a key framework for understanding and addressing the challenges facing migrant workers at every stage of the migration cycle. The Leadership Group for Responsible Recruitment is a collaboration between leading companies and expert organisations, led by IHRB, to drive positive change in the way that migrant workers are recruited. A key aim of the Group is the total eradication of fees being charged to workers to secure employment. In addition, IHRB maintains a strong programme of work to advance the rights of migrant workers in Qatar and the wider Gulf region.
- **Finance** - IHRB is a founding partner in the first wide-scale benchmark on corporate human rights performance (The Corporate Human Rights Benchmark). This collaboration between eight partners from across civil society and the private sector, ranks a selection of the top 500 globally listed companies on their human rights related policy, process and performance, with the ultimate goal of harnessing the competitive nature of markets to drive better human rights performance. During 2019, the Benchmark became part of the World Benchmarking Alliance to which IHRB became an ally. IHRB extended its interest in state-backed finance: export credit agencies, multilateral banks and sovereign wealth funds and will use an ESG focus on all future programmes moving forward.
- **Trade, shipping and commodities** - focuses on leveraging commodity trading to promote responsible business practice. IHRB maintains its work on commodity trading as well as a holistic interest in the human rights impacts of trade.
- **Sport** - in 2018, IHRB established the Centre for Sport and Human Rights, which was developed from the Mega-Sporting Events Platform for Human Rights. The Centre, through its Advisory Council brings together an unprecedented coalition of international and intergovernmental organisations, governments, sporting bodies, athletes, hosts, trade unions, sponsors, broadcasters, national human rights institutions, and civil society groups. These organisations are united in working together to fully align the world of sport with the fundamental principles of human dignity, human rights, and labour rights. The Centre for Sport and Human Rights is a wholly owned subsidiary of IHRB, and gained its own UK Charity status during 2020. There are plans for it to become a Swiss-based organisation under the direct control of new directors in 2021.
- **Information** - IHRB maintained its work on technology during 2020 with work on facial recognition technology.

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OBJECTIVES AND ACTIVITIES

During 2020, IHRB extended its work focusing specifically on vulnerable groups, namely:

- **Discrimination** - IHRB maintained its work on gender and LGBTI through 2020 but also organised two events on the workplace dimensions of Black Lives Matter in July 2020 focusing on the USA and the UK.
- **COVID-19** - the Coronavirus pandemic had an unforeseen but profound impact on the world of work. IHRB moved quickly to release a major report outlining the business and human rights implications in May 2020, followed by a number of webinars looking at impact on workplaces, trade and migrant workers.

IHRB undertakes the vast majority of its work through the support of donations and grants but a small amount (around £47k in 2020) is provided in the form of services to governments and non-profit organisations through the subsidiary IHRB Trading Ltd.

How our activities deliver public benefit

The public benefit delivered is through the realisation of human rights by both governments and businesses through the protection of rights (in the case of the former), the integration of human rights due diligence in business world-wide and the promotion of remedies for the victims of human rights abuse.

In setting and reviewing our objectives and aims, and in planning and carrying out our activities, we have due regard to the public benefit guidance published by the Charity Commission.

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ACHIEVEMENT AND PERFORMANCE

Charitable activities

COVID-19 has had a serious impact on the global economy and in particular on 'essential' workers such as nurses, doctors, carers, supermarket workers, agricultural workers, migrant workers, seafarers and other supply chain workers. In its reports and convenings during 2020, IHRB focused particularly on such vulnerable groups and it has framed much of IHRB's work over the past 12 months.

In terms of its working method, IHRB has always been - in part - a virtual organization with 'hot-desking' in the UK and colleagues based in different parts of the world. A home-working rule was instigated in March 2020 and there was no work-related travel through the rest of the year. There was also flexibility for staff facing their own health concerns or obligations to care for others. A number of IHRB in-person events became virtual instead, some others deferred until later in 2021.

During 2020, highlights of IHRB's activities and achievements included:

1. Discrimination.

The global pandemic inevitably meant that IHRB's activities had to be rethought and reimaged. IHRB published perhaps the earliest comprehensive report on business and its responsibilities in the time of a pandemic, where it applied the lens of discrimination to understand the impact on vulnerable communities. The report was published in April 2020, and had a special focus on the impact of measures being taken by governments and businesses on women, including the consequences of working from home and the risk of domestic violence they may be exposed to.

IHRB also participated in the launch of Queeristan, a book outlining the struggles in India to recognise LGBTI rights. IHRB will soon be publishing podcasts with its author, Parmesh Shahani, who is a senior executive at the Godrej group in India. IHRB has also been in consultation with Lee Badgett, professor at the University of Massachusetts at Amherst, about her new book, The Economic Case for LGBT Equality, to arrange a podcast which will be broadcast soon.

IHRB is awaiting word from the UN Human Rights Office with regard to the civil society guidance to be published by them, on which IHRB had consulted and coordinated an event in Berlin in 2019. The staff officers at the UN who worked on the project have since left, and IHRB will take the next steps once new UN officers are appointed to take charge of the project. The planned projects with the L'Oreal Group and with civil society partners in Kenya have been postponed at the request of other participants and organisers in view of the pandemic. Both activities will go ahead, once it is possible to arrange in-person meetings. Likewise, IHRB's proposed work with the Partnership for Global LGBT Equality (PGLE) to work with the World Economic Forum to develop a toolkit to help companies implement the Standards of Conduct for Business with regard to LGBTI rights has been held in abeyance.

IHRB conducted several webinars on two important developments in 2020 - the pandemic and the social unrest over racial discrimination. IHRB published perhaps the first report examining the business and human rights impacts due to COVID-19, where it stressed inequality and the need to address discrimination, in a webinar arranged by Reuters, at the UNDP Asia Business and Human Rights forum, a webinar on the impact on migrant workers in Bangladesh, which has a significant impact on women who form 85-90% of the workforce (and all panellists IHRB invited were women experts), and published a blog on removing biases to ensure greater equality in senior management.

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IHRB also produced two webinars examining the Black Lives Matter movement in the USA and the UK and looked at the role of companies and published three blogs on the subject.

In the course on business and human rights that IHRB curates at the University of Bergen each year (which took place virtually this year, running over three weekends in autumn 2020), there was a day devoted to gender, a day devoted to race-based discrimination, and a special session on business and LGBT rights. It was moderated by IHRB's Salil Tripathi, who co-authored the UN Standards of Conduct for Business with regard to LGBTI rights. Of the 37 course faculty, 23 are women, from business, academia, and civil society.

2. Protection of human rights defenders.

IHRB has been in close contact with Mary Lawlor, newly-appointed as the Special Rapporteur for the situation of human rights defenders (HRDs). IHRB has held several conversations with her and published her first interview upon taking office, as a podcast in May 2020. IHRB has also been examining the feasibility of convening a gathering with her and tech companies to ensure online safety for human rights defenders, in particular women human rights defenders. IHRB is also in conversation with Irene Khan, newly-appointed special rapporteur for freedom of expression, to organise a joint activity with the special rapporteur in the situation of HRDs, to develop a programme of work on human rights defenders and their freedoms, and the role business can play.

IHRB has continued to give space for HRDs to speak at IHRB events or at IHRB forums. On the course in Bergen, this year there were five Rafto Laureates or their associates speaking to the students. Of the podcasts IHRB has published in 2020, besides the one with Ms Lawlor, one was with a representative of seafarers' union, two representing migrant workers, one speaking for journalists under threat, and one representative from a national human rights commission. At a side event at the UNDP Asia Business and Human Rights Forum, IHRB convened experts on internal migration in India at a webinar. Finally, IHRB continues to work closely with the Rafto Foundation in ensuring that HRDs interact with business and in activities that are planned, their voices are heard.

3. Commodities.

Building on our major event - Next Generation Trade - held in London in December 2019, IHRB continued to develop its work on trade in general, and commodities and shipping in particular throughout 2020. Due the constraints of COVID-19 in early 2020 when even the short-term outlook was unclear, IHRB focused on bilateral outreach and in this regard, IHRB has been able to significantly raise the profile of the importance of human rights due diligence in relation to commodity traders as well as the intersection of the issue to broader value chain approaches to specific commodities. For example, in May 2020, IHRB conducted a deep dive session with a major cotton trader on developing a human rights policy, as well as a webinar entitled From Fragility to Resilience - Commodities Trading in Times of Crisis. By obvious necessity, the conversation was focussed around the immediate human rights implications of trading commodities, and the critical role commodity traders and trading exchanges can play in identifying solutions that promote public health while minimising economic damage. Contributors included London Metal Exchange's CEO, and senior representatives of UNCTAD, OECD's Responsible Business Conduct Unit, and Anglo American.

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In November 2020, IHRB launched an online version of the November 2018 Commodity Trading Guidance on implementing the United Nations Guiding Principles on Business and Human Rights (the Guidance). The key aims of the site are to enhance user interactivity with specific sections of the Guidance through infographics and a menu system which visualise and signpost the key actions at every stage of implementation.

In the same month, IHRB published "Taking Stock, Looking Ahead: Human Rights and the Commodity Trading Sector", a report reflecting on developments in the trading industry with respect to responsible business practices since the Guidance was published. The report covered a broad range of topics including challenges trading companies face in working with suppliers, as well as lessons learned in engaging civil society actors and maximising leverage to address adverse impacts linked to commodities sourcing and transportation. The report also looks ahead, setting out how evolving issues such as financing, transparency requirements and the roles of commodity exchanges may impact social performance issues for trading companies over the coming years. The report concludes with a number of recommendations for trading companies, industry associations and governments.

4. Shipping

IHRB has built on its foundational work in the maritime sector via the London and Singapore shipping roundtables of 2019 to develop several strands of shipping work throughout 2020. Particular focus was placed on the crew change crisis that deepened throughout the year: IHRB published podcasts and blogs on the issue and engaged with, among many others, the International Maritime Organization, the International Chamber of Shipping, the International Transport Workers' Federation, the UN Global Compact's Ocean Action Platform and Mission to Seafarers as well as all the key business actors in the shipping industry.

In November 2020, IHRB announced a joint project with the Sustainable Shipping Initiative and the Rafto Foundation focused on delivering on Seafarers' Rights. The project will develop a human rights code of conduct for charterers, and a roadmap for tackling systemic challenges which create human rights risks for seafarers - a widely-recognised gap in catalysing industry-wide policy and practice. IHRB also continues to work with maritime actors in Singapore to develop an ongoing responsible shipping dialogue.

5. Digital Technology

IHRB maintained its work on facial recognition and tracing technology through 2020, its outcomes to be published in 2021.

6. Leadership Group for Responsible Recruitment

The Dhaka Principles for Migration with Dignity are the foundation of the IHRB Migrant Workers Programme and are a key entry point to the work on recruitment fees: Principle 1 states - No fees are charged to migrant workers. IHRB organised 8 new translations in 2020 bringing the total number to 26.

The Leadership Group for Responsible Recruitment (the Leadership Group), now has 20 members and continues to work to catalyse action on the Employer Pays Principle through working with a broad range of networks and institutions to effect change.

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2020 marked five years since the UK Modern Slavery Act was introduced. This was marked by a statement by the UK government, which included a number of references to the importance of recruitment, and a specific endorsement of the Employer Pays Principle. While the challenges faced by migrant workers and those who recruit and employ them are global, there has been a strong focus on labour recruitment in South East Asia where many migrant workers are employed in the supply chains of international brands including the Leadership Group for Responsible Recruitment members. To increase the effectiveness of work in the region, a subsidiary, geographically focused, South East Asia Chapter of the Leadership Group was launched in 2020. The Chapter has a regionally driven strategy to develop new ideas, fresh insights, raise concerns, flag challenges and propose solutions. Activities will include wider outreach to key partners from suppliers, recruiters, businesses associations and civil society organisations.

In 2020 the Leadership Group undertook its first reporting exercise on actions and progress in promoting responsible recruitment. To ensure the momentum of the Leadership Group Programme was maintained, IHRB organised a regular series of webinars and web calls for group members and often other invited guests such as regular partners, the Responsible Business Alliance, Consumer Goods Forum and Aim Progress. Many of these webinars were repeated for both the main members of the Leadership Group and also for members of the South East Asia Chapter. Webinars included presentations from external organisations, Leadership Group companies, and also some specific country briefings from the ILO and IOM.

Between March and May 2020, IHRB produced a weekly briefing for the Leadership Group members on migrant workers and COVID-19 signposting pertinent information and links to useful websites and portals. This was particularly helpful for companies as they tried to keep abreast of latest developments and rapidly changing Government guidance on COVID-19 in different countries. IHRB facilitated close liaison between the companies and the ILO and the IOM who were both producing regularly updated information. IHRB was also able to alert companies to information being collected and disseminated by Leadership Group member Migrant Forum in Asia. Further work with the Migrant Forum in Asia enabled IHRB to nurture relationships with civil society organisations, who provide feedback or help verify proposed policy changes or action. IHRB is able to play a vital role in helping to start or facilitate communication between brands and civil society organisations and there have been several situations where Migrant Forum in Asia members have been able to inform brands about particular issues that they were not hearing from their suppliers.

IHRB worked with ELEVATE and IOM CREST providing input for their Ethical Recruitment Roadmap. The Leadership Group for Responsible Recruitment is included as a case study showcasing its efforts to make the Employer Pays Principle a priority for the private sector and the power of collective influence to advocate for change. The ILO in Vietnam worked closely with IHRB to facilitate interest with Leadership Group members and other private sector stakeholders for the consultation on the regulation of recruitment and the Draft Law on Contract-based Vietnamese Overseas Workers, a government to business dialogue for a consultative process in the revision of Law 72, the legislation for workers' recruitment processes to secure employment overseas.

IHRB co-hosted with the ILO and the Japan Caux Roundtable for the webinar, 'Who pays? What businesses need to know about labour migration to Japan'. The webinar facilitated discussion for Japanese companies' awareness of the flawed recruitment processes facing many migrant workers coming to Japan.

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7. Dignity by Design - Human Rights in the Built Environment

During 2020, the COVID-19 pandemic brought into sharp relief the role of the built environment in expanding or restricting human dignity: from the right to adequate housing, to access to green and public space, to the way in which we design medical facilities. Meanwhile economic stimulus packages in many regions are prioritising investment in infrastructure and buildings, which have the potential to generate jobs directly and through supply chains: some, but by no means all, of these packages have a strong climate mitigation and adaptation lens. In this context, IHRB has advanced its global Built Environment programme which aims to ensure a rights-respecting approach throughout the built environment lifecycle from land acquisition, planning and finance, through design, construction and use, to re-development.

COVID-19 restrictions meant that the planned in-person launch of the Framework for Dignity in the Built Environment in September 2020 in Sydney could not go ahead as planned, and that consultation on the Framework moved to virtual mode. Despite these challenges, IHRB and its programme partners Raoul Wallenberg Institute, Rafto Foundation and the Australian Human Rights Institute published an updated version of the Framework which includes guiding questions for action, references to relevant international standards and examples of innovation. We continued to use the Framework to build a growing ecosystem of investors, architects and engineers committed to advancing human dignity in the built environment.

8. Migrant Workers in Qatar

IHRB continued its ongoing work with the International Labour Organization Project Office in Qatar and the Ministry of Administrative Development, Labour and Social Affairs (ADLSA) to promote responsible recruitment and decent work in key sectors. It continued to convene the Working Group for Sustainable Growth and Decent Work in Qatar's hospitality sector, which was established in 2019.

As part of the collaboration with the hospitality sector, IHRB and the ILO developed a Guidance Tool to provide sector-specific guidance for human resource managers and general managers of hotels to strengthen and implement internal policies and procedures; carry out due diligence of service providers and labour recruiters; and improve workplace relations through effective grievance handling and worker representation. The tool - "Promoting Fair Recruitment and Employment: Guidance Tool for Hotels in Qatar" - was developed in consultation with more than 40 hotel brands to provide guidance through recommended action, examples of good practice, and sample contractual clauses that hotels could take into consideration when developing and implementing internal policies and procedures, as well as when conducting human rights due diligence.

Building on the learnings from the hospitality Working Group, IHRB, ILO Qatar, ADLSA and UNI Global Union, established a new working group aiming to promote responsible business practices and decent work in the private security sector. Similar to the hospitality Working Group, the private security Working Group brings together human resources managers and other relevant actors to discuss human rights and labour rights challenges and responsibilities in the sector, including pressing issues related to the upcoming 2022 FIFA World Cup.

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9. Myanmar (Burma)

2020 marks the eighth year of the Myanmar Centre for Responsible Business (MCRB) operations in Myanmar. From mid-March, MCRB adapted working practices and programming to reflect COVID-19 related risks and ensure the safety and well-being of team members/families, following Myanmar government, WHO and donor guidance.

MCRB responded to enquiries related to responsible business and COVID-19 and kept track of good examples of business responses to COVID-19 and interesting initiatives and business/non-profit partnerships in Myanmar and elsewhere. The MCRB Team, working from home, were fully occupied with a mixture of online calls and webinars. MCRB also initiated training collaborations with local business schools and various other online training providers to teach MCRB's Responsible Business Conduct 101 and other material. Team members also worked on written knowledge products, as well as responding to requests for advice and input from business, civil society organisations (CSOs), and development partners, and media commentary.

- Promoting employment of people with disabilities

Together with the Ministry for Labour, Immigration and Population (MOLIP), MCRB co-facilitated an orientation discussion on how to promote employment of persons with disabilities. This was attended by over 120 participants, mainly businesses from industrial zones, government officials and organisations working with persons with disabilities. Discussions were based on a policy options paper which MCRB compiled and published in late 2019 which was available for comment on the MCRB website.

In November, MCRB held its first transcontinental webinar, the first of a series organised together with the Israel embassy in Myanmar, Myanmar Israel Chamber of Commerce, and leading disability rights organisation Access Israel. The webinar was attended by 85 participants, most of whom represented small-to-medium sized Myanmar companies and disability rights organisations. The second (12 January 2021) focused on disability inclusive technologies for employment, and business to consumer. MCRB's Disability Lead presented on 'How to Foster a Safe and Happy Workplace for Persons with Disabilities' in a webinar hosted by the Business Coalition for Gender Equality to celebrate the International Day of Persons with Disabilities on 3 December. Disability inclusion, along with the recent developments in the extractives sector, Environmental Impact Assessment (EIA) and environmental advocacy, was discussed during a virtual roundtable with civil society leaders with whom MCRB has previously engaged in Rakhine, Shan, Kayah, Tanintharyi, Sagaing, and Mandalay Region. The event served as an opportunity to share experience and build networks across the country.

Throughout 2020, MCRB's Disability Lead, also volunteered part-time within the Myanmar Disabilities Alliance for COVID-19 Response team who are active in ensuring that persons with disabilities are not left out in the COVID-19 response.

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**- Corporate Governance and Transparency
Pwint Thit Sa 2020**

MCRB and Yever (which contributed 300 days pro bono to the report) launched the 2020 Pwint Thit Sa Report on Transparency in Myanmar Enterprises (TiME) on 21 December. The report assessed 260 companies, and for the first time included all banks to reflect the higher standard of corporate governance required of banks in Myanmar. Companies continue to improve their overall disclosure, with a 12% increase in companies who have a website, in comparison to 2019. The report also summarises recent developments on transparency, corporate governance and business and human rights, including the consequences of the UN Fact Finding mission report and developments in combatting corruption. The English version was downloaded over 1000 times within the first 3 weeks of its publication. The Myanmar version will be launched in early 2021.

- Business Integrity: A Handbook for Myanmar Businesses

In July, MCRB published 'Business Integrity: A Handbook for Myanmar Businesses', a guide intended to help owners and managers of businesses in Myanmar who want to resist corrupt practices and reduce exposure to the risks that corruption creates. It aims to provide guidance for businesses in Myanmar to support their anti-corruption programmes, drawing on inspiration from examples in Myanmar and elsewhere. The Handbook has been published in collaboration with the Anti-Corruption Commission (ACC), Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI), and the UN Development Programme (UNDP). The guide is in English and Myanmar; over 2000 copies were downloaded in 2020.

MCRB also co-hosted a number of high-level webinars on the topic. MCRB Director, Vicky Bowman was joined by Tom Crick of UNDP in a webinar on Building Business Integrity organised by the Myanmar Hong Kong Chamber of Commerce and Industry where they discussed the case studies in the Handbook. Vicky Bowman and Thompson Chau, Myanmar-based business journalist and Director of the Board of the Myanmar-Hong Kong Chamber of Commerce and Industry addressed a corporate briefing hosted by the Chamber on how online disclosure of corporate information and constructive engagement with the media and other stakeholders can support a more healthy investment climate, as well as build a company's social licence to operate by facilitating more accurate media coverage of the company and its activities.

MCRB also contributed written comments to DICA's consultation on disclosure of company information, including beneficial ownership (BO). Vicky Bowman and Nicolas Delange, Yever's Managing Director, gave a Breakfast Talk on 4 March 2020, on recent developments in regulatory requirements for corporate disclosure in Myanmar including BO. This was part of the Learning Series of the Myanmar Institute of Directors (MIOD) which is supported by Dana Facility.

- UN Global Compact

MCRB submitted its third Communication on Engagement to the UN Global Compact (UNGC). This covers MCRB's last two years of activity and how this has supported the 10 Principles of the UNGC which relate to human rights, labour rights, environment and corruption. MCRB works with Myanmar and foreign companies, government and civil society in alignment with the 'protect, respect, remedy' framework of the 2011 UN Guiding Principles on Business and Human Rights. MCRB is in discussion with others about a revival of the Myanmar UN Global Compact Local Network to bring together existing members in Myanmar and other stakeholders to put the ten principles into practice.

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- Digital Rights

Digital Rights Forum 2020

The Fourth Myanmar Digital Rights Forum took place on 28-29 February 2020 in Yangon, organised as previously by MCRB in partnership with Free Expression Myanmar, Phandeeya and Myanmar ICT Development Organisation (MIDO) with MCRB taking the lead on discussions related to privacy and data protection, and how these needed to be factored into Myanmar's development of e-commerce and e-government. The Forum was attended by over 350 participants, including senior government officials, MPs, civil society organisations, media, businesses and international human rights and digital rights experts and academics.

- Data Protection and Internet Shutdown

As part of our advocacy on data protection and the right to privacy, MCRB has been engaging on issues related to digital ID and tracking apps in Myanmar, particularly where this relates to business. MCRB signed up to the 17 December 2020 statement by 11 international NGOs on the need to better integrate human rights into these technologies. MCRB has also been actively raising awareness through a number of online discussions, especially as part of Cybersecurity month in October, moderating a discussion organised by the Myanmar Information Security Association (MISA) and the US ICT Council on why organisations need to take data privacy seriously.

MCRB prepared a joint statement as part of MCRB's ongoing involvement in a coordinated campaign to lift internet shutdown in Rakhine and restore 3G/4G. The problems caused by the internet shutdown were reinforced as a result of the need for 3G/4G internet to disseminate COVID-19 health information as well as for the election campaign.

- Sectoral and Crosscutting Work

Business and Human Rights

On 15 December 2020, Business and Human Rights was the topic in the first of a series of workshops with the Myanmar National Human Rights Commission organised by UNDP. MCRB Director, Vicky Bowman highlighted some case studies in Myanmar to illustrate the Protect, Respect and Remedy framework. Vicky Bowman also spoke about human rights challenges faced by three Japanese companies in Myanmar.

- Strengthening the Environmental Impact Assessment (EIA) Process

MCRB made a significant contribution to the first conference of the Myanmar Environmental Assessment Association (MEAA) which is supported by DFID via the IFC. Vicky Bowman gave a keynote speech on operational grievance mechanisms, an area of MCRB focus in 2020. The Deputy Director presented an analysis of the Land Acquisition, Resettlement and Rehabilitation Law 2019 and what this means for those undertaking Environmental Impact Assessments and preparing Resettlement Action Plans. MCRB also continues to provide training on EIA and responsible business to local civil society organisations. In February, MCRB partnered with Green Future on a two-day training session in Yenangyaung for around 35 participants from labour organisations and communities who have a particular interest in impacts of the Myanmar-China Pipeline in their area.

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- Land Law Reform

On 17 December 2020, MCRB, UNDP and UMFCI brought together around 140 participants (including businesses, lawyers, and some NGOs) to discuss the challenges Myanmar's land laws pose to responsible business practices. The points will be summarized and fed into the ongoing National Land Law reform process. This follows on from MCRB's previous work on the human rights impacts of land laws, based on findings from its sector wide impact assessments (SWIAs) and 2015 Briefing Paper for business on Land, Business and Human Rights. Margaret Wachenfeld, Senior Adviser to MCRB drew on these in her contribution to the chapter on fostering secure and well-defined land rights in the OECD's 2nd Investment Policy Review (IPR) of Myanmar.

10. Just Transition for All

In November 2020, IHRB launched its seminal report: Just Transitions for All - Business, Human Rights, and Climate Action, which set out the case for a business and human rights approach to the climate emergency. At policy level, IHRB has prioritised the need to align global finance with the Just Transition, and hosted a live broadcast to celebrate International Human Rights Day - 10 December 2020. The Financing the Just Transition - Exploring the Human Rights Value Add event featured Margot Wallstrom, Mary Robinson, Rachel Kyte, Sharan Burrow, Isabel Blanco, Nick Robins, Karl-Oskar Olming, Anita Ramasastry and John Morrison. IHRB also released two shorter papers looking at how human rights, and in particular the UN Guiding Principles on Business and Human Rights, might be applied to Just Transition policy making. IHRB agreed to deepen this work relating to the global finance community during 2021 in the run up to COP26 in Glasgow (which was postponed from 2020 due to COVID-19).

At the level of practice, IHRB has been working with its sister organisation in Colombia (CREER) to focus on the application of human rights to the 'transition out' of coal mining in the La Guajira and Cesar regions of northern Colombia. The viability of other pilots are also being planned for the Arctic, Bay of Bengal and possibly southern Africa.

11. Sport and Human Rights

Whilst being a separate charity under UK law, the Centre for Sport and Human Rights (www.sporhumanrights.org) remained under the control of IHRB during 2020. During the year, articles for the Swiss Association were drawn up as well as criteria for membership and the selection of independent directors. The intention remains to transfer full control to the Swiss Association in April 2021.

12. IHRB Academy

IHRB's Masters course on Business and Human Rights, an annual module held over three weekends in September, October and November, were held online in 2020. The course is a joint endeavour with the Rafto Foundation for Human Rights and the University of Bergen's Department of Comparative Politics and is taught by a faculty of global experts from the worlds of business, academia and civil society. The overarching themes for the 2020 course were COVID-19 and Black Lives Matter, and the course was substantially over-subscribed.

During 2020, IHRB deepened its relationship with the global CEMS network (30 of the leading business schools globally), delivering skills seminars in business and human rights for its Masters in Management course, in Finland, Norway and UK. IHRB also developed a pilot academic placement programme for CEMS students in June and July 2020, with 17 students from Norwegian School of Economics, Aalto University in Finland and Copenhagen Business School.

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13. Ongoing legacy work with the IHRB co-founded organisations

During its first 11 years, IHRB has worked in partnership with others to establish four organisations which IHRB still advises on their strategic direction, and their CEOs are ex-officio members of IHRB's International Advisory Council.

These are:

- The Myanmar Centre for Responsible Business (MCRB), based in Yangon
- El Centro Regional de Empresas y Emprendimientos Responsables (CREER), based in Bogota
- The Corporate Human Rights Benchmark (CHRB), based in London
- The Centre for Sport and Human Rights (CSHR), based in Geneva.

Together with IHRB itself, these five organisations can be referred to as the "IHRB family". That said, CREER and CHRB are fully independent legal entities with their own reporting structures and CSHR will be during 2021. MCRB remains under the control of IHRB through MCRB Ltd.

Fundraising activities

The Institute retains its independence from all funders and strives to operate with complete impartiality. We believe it is important that we accept funding from all major constituencies - in particular Governments, Business and Civil Society (Private Foundations) - as these represent some of the major groups involved in our work. We actively work towards an even distribution between these three sources of funding.

However, the following conditions apply to our solicitation and acceptance of funding:

Government and Foundation funding is allocated to specific projects but only if the Institute's impartiality is respected.

Business funding is only accepted as core funding with no conditions attached. Sometimes this funding is ring-fenced to multi-stakeholder 'leadership' programmes (e.g. Responsible Recruitment) but it remains on a core-funding basis.

The Institute does not provide specific services to any business in return for funding received other than for training or stakeholder representation. The Institute does sometimes undertake advisory work with governments and inter-governmental bodies on a contractual basis.

The Institute will not take money from any organisation actively engaged in deliberate abuse of human rights or the undermining of development and progress with regard to business and human rights.

The Institute publishes its funding sources and expenditure in accordance with UK Charity law.

Donations and grants made

No donations were made and none were solicited during 2020.

FINANCIAL REVIEW

Financial position

The charity's financial position is shown in detail on the balance sheet.

The charity holds circa £400,000 (approximately 3 months working capital) in unrestricted reserves in keeping with the reserves policy as an integral part of risk management. Trustees' approval is required before the reserve can be accessed.

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

FINANCIAL REVIEW

Principal funding sources

The charity's principal funding sources are from grants and donations.

Investment policy and objectives

The Institute for Human Rights & Business Limited only uses the services of banks and other financial service providers who have a strong ethical investment and lending criteria. The Institute holds business current account and card services with The Co-operative Bank and deposit account services with Triodos Bank. The decision to use the services of these banks was made on an ethical basis.

The cornerstones of corporate governance are ethical behaviour, accountability and openness. In recent years, corporate governance has also developed to reflect the interests of stakeholders other than shareholders. The 'triple bottom line' approach focuses on economic and financial stability, social responsibility and environmental responsibility with ethical investment policies and products.

Reserves policy

The trustees view the holding of general reserves as an integral part of risk management to build organisational resilience against unexpected financial demands, and to be able to satisfactorily meet all current and known future liabilities. The reserves level is approximately three months of working capital, with plans to increase it to cover an optimal four month period. Trustees' approval is required before the reserve can be accessed.

This policy is reviewed periodically by the trustees, and the reserves level will be adjusted based on perceived risks, and changes in financial commitments or contractual, statutory and legal obligations.

Risk management

The trustees have identified how and where risks should be managed and mitigated.

Under duty of prudence, the trustees have ensured that: the charity is and will remain solvent; charitable funds and assets are used reasonably, and only in furtherance of the charity's objects; undertaking activities that might place the charity's funds, assets or reputation at undue risk is avoided and special care when investing the funds of the charity, or borrowing funds for the charity to use is taken into consideration.

Under duty of care, the trustees have ensured that they seek external professional advice on all matters where there may be material risk to the charity, or where the trustees may be in breach of their duties.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

PLANS FOR FUTURE PERIODS

1. Responsible Recruitment and Migration

Having established a baseline for metrics reporting in 2020, Leadership Group for Responsible Recruitment companies will once more undertake a reporting exercise in 2021 to chart progress. A short report will be made public in 2021 with increased transparency and public reporting in subsequent years.

IHRB will begin a new workstream that will focus on the positive impacts on development outcomes of safer, non-exploitative recruitment channels between countries of origin and destination.

Postponed from 2020, the flagship event for the IHRB Migrant Workers Programme, the Global Forum for Responsible Recruitment will take place online in April 2021. In partnership with the IOM and ILO, this event will involve a range of online webinars, presentations and workshops.

With the planned addition of 2 new team members in 2021, the IHRB Migrant Workers programme will build capacity in South Asia (Bangladesh) and North America (USA / Mexico). A key focus will be outreach and stakeholder engagement in the regions and for the regional hubs to increase momentum and build clear links throughout both recruitment corridors and international trading corridors, and align with other IHRB programmes such as Shipping.

Migrant Workers in Qatar:

IHRB will continue to convene the Working Groups for Sustainable Growth and Decent Work in Qatar's hospitality and private security sectors, in partnership with the ILO Project Office in Qatar and Qatar's Ministry of Administrative Development, Labour and Social Affairs (ADLSA), and with the support of UNI Global Union (for the private security Working Group).

The Working Groups will continue to meet regularly in 2021, with thematic sessions for private security companies expected to cover the following topics: i) Legislative reforms on labour market mobility and minimum wage; ii) Responsible recruitment practices, iii) Engagement with corporate clients, iv) establishing effective grievance mechanisms. Thematic sessions for hotels will continue to focus on implementation of labour law reforms, as well as engagement with the government and other key stakeholders in the lead up to the 2022 World Cup.

Migrant Workers elsewhere in the Gulf:

IHRB is conducting a feasibility study for developing work in other Gulf States and is recruiting a Co-ordinator for its Gulf work in early 2021.

2. Commodities

IHRB will deepen its interest in two commodities during 2021: Copper and Cotton. IHRB will continue to engage with the London Metal Exchange, OECD, Copper Mark and others to promote human rights due diligence in the commodity trading sector in general, and in the copper value chain in particular. IHRB also plans to engage key actors in the cotton industry to promote responsible business and understand and address supply chain risks. In relation to Cotton, further work will be undertaken during 2021 relating to Uzbekistan and China, as well as the apparel sector in SE Asia.

3. Shipping

IHRB will be expanding its shipping work, alongside the Rafto Foundation and others, to develop awareness and good practice around human rights issues in the maritime sector.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Just Transitions

During 2021, IHRB will continue to develop its global policy work relating to the finance community and the Just Transition, with a major report to be launched at COP26 in Glasgow in November 2021. IHRB will build on CREER's work on "transitioning out" from coal in Colombia to also host a session on "Responsible Exit" at COP26 and also a third session relating to the Built Environment and moving away from the use of carbon-intensive materials. IHRB also plans to recruit a "Head of the Just Transition and the Green Economy" in the first half of 2021 to lead this new programme and further develop the pilots in Colombia, the Arctic, Bay of Bengal and Southern Africa.

5. Built Environment

In 2021 this programme will continue to develop in Europe focusing on equity and social inclusion as Europe's built environment moves towards net zero through building retrofits, green building practices, materials innovation and the expansion of green space in urban areas. This growth will drive forward programme commitments and outreach. Furthermore, the Built Environment programme's five year strategy (2021-2025) establishes goals along two inter-related tracks:

- Systems-level advocacy to embed greater respect for human rights among built environment industries through stronger government policy and implementation, investment frameworks, and industry standards
- Project-level innovation through Building Dignity Pilot Projects in multiple countries, which work to put human rights commitments into practice throughout the project lifecycle, break out of silos between project decision-makers and generate practical insights to inform and inspire others. The first of these pilots is underway in Bergen, Norway and we plan to have at least three others active in Europe by the end of 2021. The two tracks will be underpinned by a programme of policy research, strategic communications, and teaching within schools of architecture and planning to engage the next generation of built environment professionals.

6. Special Projects

IHRB will maintain a broad spectrum of work during 2021, with a big emphasis on our "think tank" role as we think through both the health and economic impacts of COVID-19. In addition, work is and will be maintained on:

- Trade
- Non-discrimination
- Human Rights Defenders
- Emerging and high-risk markets
- Digital Dangers: Facial Recognition Technology
- International Legal Developments
- Business management education
- Developing stronger communication for the authentic voice, youth engagement and story-telling.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, Memorandum and Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

During 2020, the Institute had six trustees who were responsible for the governance of the charity and ensure that IHRB pursues the objects for which it was founded. Trustees have been selected based on their professional experience and expertise.

Trustees are required to declare any possible conflicts of interest and are therefore unlikely to hold decision-making positions in mainstream business or government during their tenure with the Institute. When recruiting for a new trustee, the Board will make a selection with the aim of having a balanced, well-informed, and effective trustee body that undertakes proper governance of IHRB. Individuals who are passionate about IHRB's purpose and aims and can bring relevant experience and knowledge to enhance the effectiveness of the charity will be sought out. IHRB staff will provide a shortlist of nominations of potential trustee candidates who meet agreed criteria, to which the Board can add nominations for consideration. The IHRB Chief Executive and Deputy Chief Executive, in consultation with colleagues, will advise trustees on the final selection, and facilitate an invitation from the Chair of the Board to the selected candidate(s). Possible new trustees undertake a period of observer status, usually joining at least two IHRB trustee meetings before their appointment is formalised. The Board will undertake appropriate due diligence to ensure that those who have been disqualified from serving as a trustee are not approached. Additionally, consideration will be made to not making trustee appointments which would potentially give rise to conflicts of interest.

INSTITUTE FOR HUMAN RIGHTS & BUSINESS LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Institute for Human Rights and Business is governed by a board of trustees. Trustee meetings take place at least four times a year, usually by phone. The trustees are regularly informed of financial matters, the progress of the Institute towards its charitable objects, and the success of relevant outputs and impacts relating to each of the programmes. The Chief Executive reports to the board of trustees and runs IHRB on a day-to-day basis. The Chief Executive and Deputy Chief Executive consult the trustees on key and strategic decisions and ultimately manage the IHRB team.

The IHRB International Advisory Council provides guidance to trustees and staff about strategic matters and usually meet once a year in person. The International Advisory Council includes the Board of Trustees and members offer their time and expertise in an unpaid capacity. The other members of the IHRB International Advisory Council have been selected for their global expertise in all areas of business and human rights. All Council members are distinguished in their relevant fields, and bring specialisms that inform and enrich the charity's work. IHRB aims to have representation from all sectors - business, academia, research and civil society - and strives for the Council to be as diverse and representative as possible in terms of gender, ethnicity, age, as well as professional background and skills.

The CREER Centre is independently registered under Colombian law, and sits outside of the direct control of IHRB or its Trustees. One IHRB trustee and the IHRB Chief Executive are represented on the CREER Board. The Myanmar Centre for Responsible Business is registered in the UK as MCRB Ltd with a branch office in Myanmar, and two IHRB trustees sit on the Board of MCRB Ltd. The Centre for Sport and Human Rights is a wholly owned subsidiary of IHRB, and two IHRB trustees and the IHRB Deputy Chief Executive sit on the Board of the Centre.

During the latter stages of the year IHRB Nordic was established as a separate legal entity and registered as a charitable association in Denmark. The purpose of the new entity is to develop Built Environment, Shipping and Just Transition activities in the Nordic region.

IHRB annually reviews the salary levels for its key management personnel using the job market in order to be competitive with professional roles in the international NGO sector. Pay reflects the need to attract and retain staff with the leadership, experience, skills and knowledge required to contribute to the work of a dynamic and influential charity. Salary levels also reflect responsibilities and performance. Employees are paid with a salary at least in line with guidance from the Campaign for a Living Wage.

In total, across the "IHRB family" of organizations, there are now 65 staff worldwide. The Institute's core staff and consultants during 2020 were:

John Morrison (Chief Executive)
Frances House (Deputy Chief Executive)
Scott Jerbi (Senior Advisor, Policy and Outreach)
Salil Tripathi (Senior Advisor, Global Issues,)
Vicky Bowman (Director, Myanmar Centre for Responsible Business)
Guido Battaglia (Head of Responsible Trade Programme)
Vanessa Bissessur (Head of Operations)
Julia Borgianni-Batho (Head of Labour Rights)
Haley St Dennis (Head of Communications)
Denise Derbyshire (Administrator)
Francesca Fairbairn (Programme Officer, Just Transitions, Responsible Trade and IHRB Academy)
William Rook (Senior Advisor, Strategy and Programmes)

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Deborah Sago (Communications Officer)
Annabel Short (Built Environment Specialist)
Guna Subramaniam (South East Asia Regional Advisor, Migrant Workers Programme)
Neill Wilkins (Head of Migrant Workers programme)

In addition, the Institute currently has eleven Research Fellows.

Mary Robinson, Professor John Ruggie and Chris Marsden are Patrons of IHRB. The members of the International Advisory Council are S Batliwala, N Chanda, B Edlund, I Hilton, K Hyland, D Kemp, W Kimathi, M Kjaerum, R Lindsay, R Popper, A Ramasastry, M Taylor and Margot Wallstrom. L Fernando de Angulo, V Bowman, M Harvey and D Neale are ex-officio members.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06882940 (England and Wales)

Registered Charity number

1131790

Registered office

Railview Lofts
19c Commercial Road
Eastbourne
East Sussex
BN21 3XE

Trustees

B E Edlund (resigned 17.3.20)
L R Lindsay (resigned 30.6.21)
M Taylor (resigned 17.3.20)
D L Kemp
R J D Popper
N Black (appointed 6.2.20)
P Goyer (appointed 6.2.20)
R Kunanayagam (appointed 6.2.20)
D D D'Ambrosio (appointed 12.5.21)
D K Khan (appointed 12.5.21)

Auditors

Myrus Smith
Statutory Auditors
Norman House
8 Burnell Road
Sutton
Surrey
SM1 4BW

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Co-Operative Bank
PO Box 250
Delf House
Skelmerdale
WN8 6WT

Accountants

LMDB Accountants
Railview Lofts
19c Commercial Road
Eastbourne
East Sussex
BN21 3XE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Institute For Human Rights & Business Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 auditors are unaware; and
- 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 auditors are aware of that information.

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 13 July 2021 and signed on its behalf by:

R J D Popper - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

Opinion

We have audited the financial statements of Institute For Human Rights & Business Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Group Statement of Financial Activities, the Group and the Parent Charitable Company Balance Sheet, the 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 Financial Reporting Standard 102 Schedule 1A 'The Financial Reporting Standard applicable in the UK and Republic of 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 2020 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Report of the Trustees.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the parent 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's and the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INSTITUTE FOR HUMAN RIGHTS & BUSINESS LIMITED

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance on the actual and potential litigation and claims, and also any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Professional scepticism in course of the audit and with audit sampling in material audit areas.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

Use of our report

This report is made solely to the group and parent 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 group and parent charitable company's members those matters we are required to state to them in an auditors' 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 group and parent charitable company and the group and parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Jones FCA (Senior Statutory Auditor)
for and on behalf of Myrus Smith
Statutory Auditors
Norman House
8 Burnell Road
Sutton
Surrey
SM1 4BW

Date: 4 August 2021

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020**

		Unrestricted funds	Restricted funds	2020 Total funds	2019 Total funds
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	1,291,415	2,715,235	4,006,650	3,088,148
Commercial trading operations	4	48,069	-	48,069	43,524
Investment income	5	611	507	1,118	2,060
Other income - rent receivable		-	8,577	8,577	3,461
Total		1,340,095	2,724,319	4,064,414	3,137,193
EXPENDITURE ON					
Raising funds	6	24,222	-	24,222	11,963
Commercial trading operations	7	41,777	-	41,777	43,436
Charitable activities	8				
Migrant workers and work with dignity		36,595	426,741	463,336	481,600
Technology		-	-	-	75,009
Myanmar Centre for Responsible Business		-	501,241	501,241	560,836
Centre for Sport and Human Rights		319,620	787,380	1,107,000	999,029
HRD and Discrimination		85,437	-	85,437	144,370
Shipping and Commodities		124,125	159,635	283,760	328,357
High Risk Markets		30,155	18,437	48,592	6,319
Built Environment		70,003	16,668	86,671	117,990
Just Transition		108,602	75,001	183,603	-
Total		840,536	1,985,103	2,825,639	2,768,909
NET INCOME		499,559	739,216	1,238,775	368,284
RECONCILIATION OF FUNDS					
Total funds brought forward		308,397	1,258,832	1,567,229	1,198,945
TOTAL FUNDS CARRIED FORWARD		807,956	1,998,048	2,806,004	1,567,229

The notes form part of these financial statements

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**CONSOLIDATED BALANCE SHEET
31 DECEMBER 2020**

	Notes	Consolidated 2020 £	Consolidated 2019 £	Charity 2020 £	Charity 2019 £
FIXED ASSETS					
Tangible assets	14	8,279	5,631	2,585	1,585
Investments	15	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
		8,279	5,631	2,587	1,587
CURRENT ASSETS					
Debtors: amounts falling due within one year	16	1,434,182	605,737	1,160,460	793,198
Cash at bank		<u>1,629,214</u>	<u>1,206,546</u>	<u>1,270,459</u>	<u>930,193</u>
		3,063,396	1,812,283	2,430,919	1,723,391
CREDITORS					
Amounts falling due within one year	17	<u>(265,671)</u>	<u>(250,685)</u>	<u>(152,996)</u>	<u>(203,824)</u>
NET CURRENT ASSETS		<u>2,797,725</u>	<u>1,561,598</u>	<u>2,277,923</u>	<u>1,519,567</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,806,004</u>	<u>1,567,229</u>	<u>2,280,510</u>	<u>1,521,154</u>
NET ASSETS		<u>2,806,004</u>	<u>1,567,229</u>	<u>2,280,510</u>	<u>1,521,154</u>
FUNDS					
Unrestricted funds	18	807,957	308,397	478,815	436,553
Restricted funds		<u>1,998,047</u>	<u>1,258,831</u>	<u>1,801,695</u>	<u>1,084,601</u>
TOTAL FUNDS		<u>2,806,004</u>	<u>1,567,229</u>	<u>2,280,510</u>	<u>1,521,154</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 13 July 2021 and were signed on its behalf by:

R J D Popper - Trustee

The notes form part of these financial statements

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	<u>428,923</u>	<u>321,584</u>
Net cash provided by operating activities		<u>428,923</u>	<u>321,584</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(7,373)	(7,185)
Interest received		<u>1,118</u>	<u>2,060</u>
Net cash (used in)/provided by investing activities		<u>(6,255)</u>	<u>(5,125)</u>
Change in cash and cash equivalents in the reporting period		422,668	316,460
Cash and cash equivalents at the beginning of the reporting period		<u>1,206,546</u>	<u>890,085</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,629,214</u></u>	<u><u>1,206,545</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020	2019
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	1,238,775	368,284
Adjustments for:		
Depreciation charges	4,358	4,661
Loss on disposal of fixed assets	367	-
Interest received	(1,118)	(2,060)
Increase in debtors	(828,445)	(293,406)
(Decrease)/increase in creditors	<u>14,986</u>	<u>244,105</u>
Net cash provided by operations	<u><u>428,923</u></u>	<u><u>321,584</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. STATUTORY INFORMATION

Institute for Human Rights & Business Limited is a private company, limited by guarantee, registered in England and Wales.

The company's registered office address is:

Railview Lofts,
19c Commercial Road,
Eastbourne,
East Sussex,
BN21 3XE.

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic Ireland', the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Preparation of the accounts on a going concern basis

The trustees are not aware of any material uncertainties about the charity's ability to continue as a going concern.

Preparation of consolidated financial statements

The group financial statements consolidate the results of the charity and its wholly owned subsidiaries IHRB Trading Limited, Myanmar Centre for Responsible Business Ltd, IHRB USA and Centre for Sport and Human Rights Limited on a line-by-line basis. As permitted by Section 408 of the Companies Act no separate statement of financial activities is presented in respect of the parent company.

Income

All income is recognised in the Statement of Financial Activities once the parent charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. Grant income is recognised when there is formal offer of funding communicated in writing to the charity which does not relate wholly to future accounting periods. The value of donated services are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the charity can be reliably measured. An equivalent amount will be included as expenditure under the relevant heading in the Statement of Financial Activities.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES - continued

Income

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the parent charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

All costs are allocated between expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned according to time spent on each activity during the period.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 33% on cost

Tangible fixed assets, excluding investments are initially measured at cost and subsequently stated at depreciated historic cost.

Taxation

The parent charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the parent charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The parent charity operates a defined contribution pension scheme. Contributions payable to the parent charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Pension costs are allocated to activities on the same basis as set out in the allocation and apportionment of costs policy stated above. Pension costs and liabilities are allocated to restricted and unrestricted reserves based on the allocation of labour time to the charities various funds.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the parent charity becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and are initially measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due. Cash and cash equivalents are classified as basic financial instruments and comprise cash at bank and short-term bank deposits with an original maturity of three months or less which are an integral part of the charity's cash management.

Financial liabilities issued by the company are classified in accordance with the substance of the contractual arrangements entered into and meet the definitions of a financial liability.

Financial assets are de-recognised when:

- the contractual rights to the cash flows from the financial asset expire or are settled; or
- the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the charity despite having retained some but not all significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are de-recognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments in subsidiaries

Investments in group companies are stated at cost less any identified impairment. An impairment review is undertaken annually by the trustees.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. DONATIONS AND LEGACIES

	2020	2019
	£	£
Business donations	931,423	774,008
Foundation grants	1,221,774	907,165
Government grants	1,343,560	1,406,975
Sports body donations	<u>509,893</u>	<u>-</u>
	<u>4,006,650</u>	<u>3,088,148</u>

Grants secured in 2020 included multi-year grants for the Myanmar Centre For Responsible Business, the Migrant Workers, Built Environment and Shipping and Commodities programmes. Income is recognised in the year in which the grants were agreed whilst the grant funding was for various periods ending up to 30 September 2022.

4. COMMERCIAL TRADING ACTIVITIES

	2020	2019
	£	£
Consultancy	<u>48,069</u>	<u>43,524</u>

5. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	<u>1,118</u>	<u>2,060</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. RAISING FUNDS

Raising donations and legacies

	2020	2019
	£	£
Staff costs	3,935	617
Insurance	695	663
Telephone	540	280
Postage and stationery	30	32
Sundries	203	57
Bank charges	16	24
Consultancy	10,258	6,569
Wages	6,129	-
Training	17	4
Website	182	320
Office rent	94	98
IT expenses	104	74
Accountancy and back office support	1,264	1,236
Travel and accommodation	112	1,821
Exchange rate variances	577	77
Depreciation	66	91
	<u>24,222</u>	<u>11,963</u>

7. SUBSIDIARY INCOME AND COSTS

The wholly owned trading subsidiaries IHRB Trading Ltd and Myanmar Centre for Responsible Business Limited are both incorporated in the United Kingdom and pay all of their distributable profits to the parent charity by gift aid. The parent charity owns the entire share capital in each subsidiary, being 1 ordinary share of £1 for each company. A summary of the trading results is shown below.

IHRB Trading Ltd	2020	2019
	£	£
Turnover	48,069	43,524
Other income	-	-
Administration and other costs	<u>(41,778)</u>	<u>(43,436)</u>
Operating profit/(loss)	<u>6,291</u>	<u>88</u>
Net income	6,291	88
Amount gift aided to the charity	<u>-</u>	<u>-</u>
Retained in subsidiary	<u>6,291</u>	<u>88</u>

As at December 2020, IHRB Trading Ltd had net liabilities of £23,227 (2019 - net liabilities of £29,518). This comprised assets of £59,577 (2019 - £56,415) and liabilities of £82,804 (2019 - £85,933).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. SUBSIDIARY INCOME AND COSTS - continued

Myanmar Centre for Responsible Business Limited	2020	2019
	£	£
Turnover	292,639	342,530
Other income	-	-
Administration and other costs	<u>(292,639)</u>	<u>(342,530)</u>
Operating profit/(loss)	<u>-</u>	<u>-</u>
Net income	-	-
Amount gift aided to the charity	<u>-</u>	<u>-</u>
Retained in subsidiary	<u>-</u>	<u>-</u>

As at December 2020, Myanmar Centre for Responsible Business Limited had net assets of £1 (2019 - £1). This comprised assets of £62,581 (2019 - £39,903) and liabilities of £62,580 (2019 - £39,902).

IHRB USA	2020	2019
	£	£
Turnover	-	3,813
Other income	-	-
Administration and other costs	<u>(358)</u>	<u>(137)</u>
Operating profit/(loss)	<u>(358)</u>	<u>3,676</u>
Net income	(358)	3,676
Amount gift aided to the charity	<u>-</u>	<u>-</u>
Retained in subsidiary	<u>(358)</u>	<u>3,676</u>

As at December 2020, IHRB USA had net assets of £8,066 (2019 - £8,424). This comprised assets of £8,066 (2019 - £8,424) and liabilities of £Nil (2019 - £Nil).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. SUBSIDIARY INCOME AND COSTS - continued

Centre for Sport and Human Rights Limited	2020	2019
	£	£
Turnover	1,599,123	670,156
Other income	-	-
Administration and other costs	(1,119,258)	(632,593)
Operating profit/(loss)	<u>479,865</u>	<u>37,563</u>
Net income	479,865	37,563
Amount gift aided to the charity	-	-
Retained in subsidiary	<u>479,865</u>	<u>37,563</u>

As at December 2020, Centre for Sport and Human Rights Limited had net assets of £517,428 (2019 - £37,563). This comprised assets of £623,068 (2019 - £245,680) and liabilities of £105,640 (2019 - £208,117).

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 9) £	Totals £
Migrant workers and work with dignity	344,059	119,277	463,336
Myanmar Centre for Responsible Business	408,449	92,792	501,241
Centre for Sport and Human Rights HRD and Discrimination	927,408	179,592	1,107,000
Shipping and Commodities	60,508	24,929	85,437
High Risk Markets	183,031	100,729	283,760
Built Environment	35,906	12,686	48,592
Just Transition	35,052	51,619	86,671
	<u>164,643</u>	<u>18,960</u>	<u>183,603</u>
	<u>2,159,056</u>	<u>600,584</u>	<u>2,759,640</u>

Comparatives for the year ended 31 December 2019:

	£	£	£
Totals	<u>2,226,341</u>	<u>487,170</u>	<u>2,713,511</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. SUPPORT COSTS

	Management £	Finance £	Information technology £	Governance costs £	Totals £
Migrant workers and work with dignity	109,735	168	6,887	2,487	119,277
Myanmar Centre for Responsible Business	69,112	226	21,138	2,316	92,792
Centre for Sport and Human Rights	156,940	1,473	18,679	2,500	179,592
HRD and Discrimination	22,955	35	1,445	494	24,929
Shipping and Commodities	92,752	143	5,840	1,994	100,729
High Risk Markets	11,681	18	735	252	12,686
Built Environment	47,530	73	2,994	1,022	51,619
Just Transition	<u>17,458</u>	<u>27</u>	<u>1,099</u>	<u>376</u>	<u>18,960</u>
	<u>528,163</u>	<u>2,163</u>	<u>58,817</u>	<u>11,441</u>	<u>600,584</u>

Comparatives for the year ended 31 December 2019:

	£	£	£	£	£
Totals	<u>416,595</u>	<u>1,439</u>	<u>60,433</u>	<u>8,703</u>	<u>487,170</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020 £	2019 £
Auditors' remuneration		
Audit of charitable company financial statements	4,000	3,250
Audit of trading subsidiaries	4,817	4,816
Depreciation - owned assets	4,358	4,661
Deficit on disposal of fixed assets	<u>366</u>	<u>-</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

During the year one trustee (2019 - one) was reimbursed expenses as follows:

	2020	2019
	£	£
Travel expenses	<u>416</u>	<u>1,061</u>

12. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	1,004,112	929,696
Social security costs	98,555	64,690
Other pension costs	<u>57,360</u>	<u>42,241</u>
	<u>1,160,027</u>	<u>1,036,627</u>

The key management personnel of the parent charitable company and its subsidiaries comprise the trustees, the Chief Executive Officers and their deputies. The total employee benefits of the key management personnel of the group were £631,506 (2019 - £383,992).

Under FRS 102, employee benefits include gross salary, benefits in kind, employer's social security and employer pension costs.

The average monthly number of employees during the year was as follows:

	2020	2019
Staff	<u>26</u>	<u>22</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. STAFF COSTS - continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020	2019
£60,001 - £70,000	1	2
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1
£100,001 - £110,000	1	1
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
£200,001 - £210,000	<u>1</u>	<u>-</u>
	<u>7</u>	<u>6</u>

Retirement benefits are accruing to six employees (2019 - six) earning over £60,000 per annum. The total pension contributions paid in respect of said employees was £28,126 for the year ended 31 December 2020 (2019 - £27,425).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	415,253	2,672,895	3,088,148
Commercial trading operations	43,524	-	43,524
Investment income	1,818	242	2,060
Other income - rent receivable	-	3,461	3,461
Total	460,595	2,676,598	3,137,193
 EXPENDITURE ON			
Raising funds	11,963	-	11,963
Commercial trading operations	43,436	-	43,436
 Charitable activities			
Migrant workers and work with dignity	-	481,599	481,600
Technology	21,190	53,819	75,009
Myanmar Centre for Responsible Business	-	560,836	560,836
Centre for Sport and Human Rights	199,049	799,980	999,029
HRD and Discrimination	94,371	49,999	144,370
Shipping and Commodities	233,785	94,572	328,357
High Risk Markets	6,319	-	6,319
Built Environment	102,416	15,574	117,990
Total	712,529	2,056,380	2,768,909
 NET INCOME/(EXPENDITURE)	(251,934)	620,218	368,284
 RECONCILIATION OF FUNDS			
Total funds brought forward	560,331	638,614	1,198,945
 TOTAL FUNDS CARRIED FORWARD	<u>308,397</u>	<u>1,258,832</u>	<u>1,567,229</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 January 2020	20,096
Additions	7,374
Disposals	<u>(4,849)</u>
At 31 December 2020	<u>22,621</u>
DEPRECIATION	
At 1 January 2020	14,464
Charge for year	4,358
Eliminated on disposal	<u>(4,480)</u>
At 31 December 2020	<u>14,342</u>
NET BOOK VALUE	
At 31 December 2020	<u>8,279</u>
At 31 December 2019	<u>5,631</u>

TANGIBLE FIXED ASSETS - CHARITY

	Computer equipment £
COST	
At 1 January 2020	14,026
Additions	3,317
Disposals	<u>(4,849)</u>
At 31 December 2020	<u>12,494</u>
DEPRECIATION	
At 1 January 2020	12,441
Charge for year	1,948
Eliminated on disposal	<u>(4,480)</u>
At 31 December 2020	<u>9,909</u>
NET BOOK VALUE	
At 31 December 2020	<u>2,585</u>
At 31 December 2019	<u>1,585</u>

Fixed assets are not capitalised below the value of £250.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 January 2020 and 31 December 2020	<u>2</u>
NET BOOK VALUE	
At 31 December 2020	<u>2</u>
At 31 December 2019	<u>2</u>

The above shares in group undertakings represent investment assets held in the UK. In addition the company is a member of two companies limited by guarantee incorporated in the UK and one company incorporated in the USA without share capital.

The company's investments at the balance sheet date in the share capital of companies include the following:

IHRB Trading Limited

Registered office: Railview Lofts, 19C Commercial Road, Eastbourne, East Sussex, BN21 3XE

Nature of business: Consultancy Services

	% holding	2020 £	2019 £
Class of share:			
Ordinary	100		
Aggregate capital and reserves		(23,227)	(29,518)
Profit for the year		<u>6,291</u>	<u>88</u>

Myanmar Centre For Responsible Business Limited

Registered office: Railview Lofts, 19C Commercial Road, Eastbourne, East Sussex, BN21 3XE

Nature of business: Consultancy Services

	% holding	2020 £	2019 £
Class of share:			
Ordinary	100		
Aggregate capital and reserves		1	1

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. FIXED ASSET INVESTMENTS - continued

Centre for Sport and Human Rights Limited

Nature of Business: Charity

The above company is limited by guarantee, with the Institute For Human Rights and Business being the sole member.

	2020	2019
	£	£
Aggregate capital and reserves	517,428	37,563
Surplus / (Deficit) for year	<u>479,865</u>	<u>37,563</u>

IHRB USA

Country of incorporation: USA

Nature of business: Charity

The above company is incorporated without share capital, with the Institute For Human Rights and Business being the sole member.

	2020	2019
	£	£
Aggregate capital and reserves	8,065	8,424
Surplus / (Deficit) for year	<u>(358)</u>	<u>3,676</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. DEBTORS – GROUP AND CHARITY

AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade debtors	295,755	113,109	59,509	46,173
Other debtors	13,622	2,747	345	345
Amounts owed by group undertakings	-	-	115,124	257,486
Accrued income	1,074,127	469,826	952,745	469,826
Prepayments	<u>50,678</u>	<u>20,055</u>	<u>32,737</u>	<u>19,368</u>
	<u>1,434,182</u>	<u>605,737</u>	<u>1,160,460</u>	<u>793,198</u>

17. CREDITORS – GROUP AND CHARITY

AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade creditors	75,170	63,002	24,307	48,121
Social security and other taxes	26,757	52,378	17,390	43,396
Other creditors	9,398	-	8,688	-
Accrued expenses	13,299	32,837	8,102	11,714
Deferred income	<u>141,047</u>	<u>102,468</u>	<u>94,509</u>	<u>100,593</u>
	<u>265,671</u>	<u>250,685</u>	<u>152,996</u>	<u>203,824</u>

Deferred income includes grant income brought forward from 2019 of £100,593 for the charity and the group, which has been released during the year.

Deferred income as at 31 December 2020 includes grant funding received in the period of £94,509 for the charity and £133,172 for the group. The income has been received for activities in 2021.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	(91,603)	499,559	407,956
Contingency reserve	<u>400,000</u>	<u>-</u>	<u>400,000</u>
	308,397	499,559	807,956
Restricted funds			
Migrant workers and work with dignity	232,049	218,459	450,508
Myanmar Centre for Responsible Business	778,498	207,133	985,631
Centre for Sport and Human Rights	174,230	22,122	196,352
High Risk Markets	-	39,812	39,812
Built Environment	-	214,472	214,472
Shipping and Commodities	<u>74,054</u>	<u>37,218</u>	<u>111,272</u>
	<u>1,258,831</u>	<u>739,216</u>	<u>1,998,047</u>
TOTAL FUNDS	<u><u>1,567,229</u></u>	<u><u>1,238,775</u></u>	<u><u>2,806,004</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,340,095	(840,536)	499,559
Restricted funds			
Migrant workers and work with dignity	645,200	(426,741)	218,459
Myanmar Centre for Responsible Business	708,374	(501,241)	207,133
Centre for Sport and Human Rights	809,502	(787,380)	22,122
High Risk Markets	58,249	(18,437)	39,812
Built Environment	231,140	(16,668)	214,472
Shipping and Commodities	196,853	(159,635)	37,218
Just Transition	<u>75,001</u>	<u>(75,001)</u>	<u>-</u>
	<u>2,724,319</u>	<u>(1,985,103)</u>	<u>739,216</u>
TOTAL FUNDS	<u><u>4,064,414</u></u>	<u><u>(2,825,639)</u></u>	<u><u>1,238,775</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund	160,331	(251,934)	(91,603)
Contingency reserve	400,000	-	400,000
	560,331	(251,934)	308,397
Restricted funds			
Migrant workers and work with dignity	171,159	60,890	232,049
Technology	3,819	(3,819)	-
Centre for Sport and Human Rights	75,645	98,585	174,230
Myanmar Centre for Responsible Business	382,989	395,509	778,498
Shipping and Commodities	5,000	69,054	74,054
	638,614	620,218	1,258,831
TOTAL FUNDS	<u>1,198,945</u>	<u>368,284</u>	<u>1,567,229</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	460,595	(712,529)	(251,934)
Restricted funds			
Migrant workers and work with dignity	542,488	(481,598)	60,890
Technology	50,000	(53,819)	(3,819)
Centre for Sport and Human Rights	898,565	(799,980)	98,585
Myanmar Centre for Responsible Business	956,345	(560,836)	395,509
Built Environment	15,574	(15,574)	-
HRD and Discrimination	49,999	(49,999)	-
Shipping and Commodities	163,626	(94,572)	69,054
	2,676,598	(2,056,379)	620,218
TOTAL FUNDS	<u>3,137,193</u>	<u>(2,768,908)</u>	<u>368,284</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. MOVEMENT IN FUNDS - continued

Unrestricted funds represent monies given to the charity without restrictions.

The trustees have a reserves policy of keeping approximately 3 months of working capital in reserves. Unrestricted reserves held as at 31 December 2020 are broadly in line with the policy. As an extension to the policy, £400,000 of unrestricted reserves have been designated as a contingency reserve. The charity is not able to access these funds without trustees prior approval.

Restricted funds represent monies given to the charity for a particular activity as follows:

Migrant Workers and Work with Dignity: Strengthening protection of migrant worker rights and examining the responsibilities of recruitment agencies.

Centre for Sport and Human Rights: Human rights in the context of sporting events (FIFA World Cup, Olympic Games etc).

Myanmar Centre For Responsible Business: An initiative to encourage responsible business activities throughout Myanmar.

High Risk Markets: Programme related specifically to responsible business conduct in high-risk environments, which includes the role that investors, local companies and governments should play.

Shipping and Commodities: Identifying and developing human rights lifecycle and principles relating to Maritime Sector and work on the extractive sector aiming to embed the protection of and respect for human rights, transparency, and accountability.

Built Environment: Exploring the extent to which built environment promotes, threatens or diminishes human dignity

Human Rights Defenders and Discrimination: Protecting human rights defenders and challenging business and discriminatory practices.

Just Transition: Visible framing for government and business action on climate change.

19. EMPLOYEE BENEFIT OBLIGATIONS

The group contributed to defined contribution pension schemes for all of the employees during the period. Contributions of £57,360 (2019 - £42,241) have been charged to the Statement of Financial Activities for the period under review. As at 31 December 2020 there were no unpaid contributions (2019 - £nil).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

20. RELATED PARTY DISCLOSURES

IHRB Trading Limited

Subsidiary company

As at 31 December 2020 the subsidiary owed the charity £67,916 (2019 - £78,397). An impairment loss has been provided on the loan of £23,228. Provision was made in this period. The loan by the charity has no fixed repayment term and is interest free.

Myanmar Centre For Responsible Business Limited

Subsidiary company

The balance due from the subsidiary at the balance sheet date was £62,582 (2019 - £38,104). This loan to the subsidiary has no fixed repayment term and is interest free.

Expenses of £292,639 (2019 - £342,530) were recharged by the subsidiary to the charity during the year.

Centre for Sport and Human Rights Limited

Subsidiary company

As at 31 December 2020 the subsidiary owed the charity £7,854 (2019 - £170,591). The loan by the charity has no fixed repayment term and is interest free.