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**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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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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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 reimagined. 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](http://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.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**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](http://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	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>					
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
<b>Total</b>		<b>1,340,095</b>	<b>2,724,319</b>	<b>4,064,414</b>	<b>3,137,193</b>
<b>EXPENDITURE ON</b>					
Raising funds	6	24,222	-	24,222	11,963
Commercial trading operations	7	41,777	-	41,777	43,436
<b>Charitable activities</b>	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	-
<b>Total</b>		<b>840,536</b>	<b>1,985,103</b>	<b>2,825,639</b>	<b>2,768,909</b>
<b>NET INCOME</b>		<b>499,559</b>	<b>739,216</b>	<b>1,238,775</b>	<b>368,284</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>308,397</b>	<b>1,258,832</b>	<b>1,567,229</b>	<b>1,198,945</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>807,956</b>	<b>1,998,048</b>	<b>2,806,004</b>	<b>1,567,229</b>

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 £
<b>FIXED ASSETS</b>					
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
<b>CURRENT ASSETS</b>					
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
<b>CREDITORS</b>					
Amounts falling due within one year	17	<u>(265,671)</u>	<u>(250,685)</u>	<u>(152,996)</u>	<u>(203,824)</u>
<b>NET CURRENT ASSETS</b>		<u>2,797,725</u>	<u>1,561,598</u>	<u>2,277,923</u>	<u>1,519,567</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,806,004</u>	<u>1,567,229</u>	<u>2,280,510</u>	<u>1,521,154</u>
<b>NET ASSETS</b>		<u>2,806,004</u>	<u>1,567,229</u>	<u>2,280,510</u>	<u>1,521,154</u>
<b>FUNDS</b>					
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>
<b>TOTAL FUNDS</b>		<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 £
<b>Cash flows from operating activities</b>			
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>
<b>Cash flows from investing activities</b>			
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>
<b>Change in cash and cash equivalents in the reporting period</b>		422,668	316,460
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>1,206,546</u>	<u>890,085</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<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
	£	£
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	<b>1,238,775</b>	<b>368,284</b>
<b>Adjustments for:</b>		
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>
<b>Net cash provided by operations</b>	<b><u>428,923</u></b>	<b><u>321,584</u></b>

**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 £
<b>INCOME AND ENDOWMENTS FROM</b>			
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
<b>Total</b>	460,595	2,676,598	3,137,193
<b>EXPENDITURE ON</b>			
Raising funds	11,963	-	11,963
Commercial trading operations	43,436	-	43,436
<b>Charitable activities</b>			
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
<b>Total</b>	712,529	2,056,380	2,768,909
<b>NET INCOME/(EXPENDITURE)</b>	(251,934)	620,218	368,284
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	560,331	638,614	1,198,945
<b>TOTAL FUNDS CARRIED FORWARD</b>	<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 £
<b>COST</b>	
At 1 January 2020	20,096
Additions	7,374
Disposals	<u>(4,849)</u>
At 31 December 2020	<u>22,621</u>
<b>DEPRECIATION</b>	
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>
<b>NET BOOK VALUE</b>	
At 31 December 2020	<u>8,279</u>
At 31 December 2019	<u>5,631</u>

**TANGIBLE FIXED ASSETS - CHARITY**

	Computer equipment £
<b>COST</b>	
At 1 January 2020	14,026
Additions	3,317
Disposals	<u>(4,849)</u>
At 31 December 2020	<u>12,494</u>
<b>DEPRECIATION</b>	
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>
<b>NET BOOK VALUE</b>	
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 £
<b>MARKET VALUE</b>	
At 1 January 2020 and 31 December 2020	<u>2</u>
<b>NET BOOK VALUE</b>	
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 £
<b>Unrestricted funds</b>			
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
<b>Restricted funds</b>			
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>
<b>TOTAL FUNDS</b>	<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 £
<b>Unrestricted funds</b>			
General fund	1,340,095	(840,536)	499,559
<b>Restricted funds</b>			
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>
<b>TOTAL FUNDS</b>	<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 £
<b>Unrestricted funds</b>			
General fund	160,331	(251,934)	(91,603)
Contingency reserve	400,000	-	400,000
	560,331	(251,934)	308,397
<b>Restricted funds</b>			
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
<b>TOTAL FUNDS</b>	<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 £
<b>Unrestricted funds</b>			
General fund	460,595	(712,529)	(251,934)
<b>Restricted funds</b>			
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
<b>TOTAL FUNDS</b>	<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.