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

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Page
Report of the Trustees	1 to 18
Report of the Independent Auditors	19 to 22
Consolidated Statement of Financial Activities	23
Consolidated Balance Sheet	24
Consolidated Cash Flow Statement	25
Notes to the Consolidated Cash Flow Statement	26
Notes to the Consolidated Financial Statements	27 to 44

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

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

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

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

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

Significant activities

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

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

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

OBJECTIVES AND ACTIVITIES

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

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

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

How our activities deliver public benefit

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

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

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

ACHIEVEMENT AND PERFORMANCE

Charitable activities

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

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

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

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

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

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

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

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

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

2. Just Transitions

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

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

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

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

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

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

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

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

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

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

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

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

4. Gulf Sustain

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

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

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

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

5. Shipping, Oceans and Commodities

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

Shipping

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

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

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

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

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

Coastal wind energy

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

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

Commodities

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

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

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

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

6. Digital Technology

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

7. Myanmar (Burma)

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

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

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

Human Rights Due Diligence, Responsible Business Conduct and Responsible Exit

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

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

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

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

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

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

Promoting Collective Action

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

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

Other collective actions during 2022 included:

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

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

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

8. Protection of human rights defenders

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

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

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

9. IHRB Academy

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

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

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

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

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

These are:

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

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

Fundraising activities

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

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

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

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

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

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

Donations and grants paid

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

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

FINANCIAL REVIEW

Financial position

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

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

Principal funding sources

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

Investment policy and objectives

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

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

Reserves policy

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

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

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

Risk management

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

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

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

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

PLANS FOR FUTURE PERIODS

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

Migrant Workers Programme and the Leadership Group for Responsible Recruitment

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

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

Just Transitions

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

Dignity by Design - Human Rights in the Built Environment

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

Gulf Sustain

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

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

Shipping, Oceans and Commodities

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

Recruitment and appointment of new trustees

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

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

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

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

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

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

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

In addition, the Institute currently has fifteen Research Fellows.

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

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06882940 (England and Wales)

Registered Charity number

1131790

Registered office

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

Trustees

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

Auditors

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

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

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

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

Accountants

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

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

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

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

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

N Black - Trustee

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

Opinion

We have audited the financial statements of Institute For Human Rights & Business Limited (the 'parent charitable company') and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise the Group Statement of Financial Activities, the Group and the Parent Charitable Company Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

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

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

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

Our responsibilities for the audit of the financial statements

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

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

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

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

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

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

Use of our report

This report is made solely to the group and parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group and parent charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and parent charitable company and the group and parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

Date: 27 October 2023

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

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

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

CONTINUING OPERATIONS

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

The notes form part of these financial statements

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

**CONSOLIDATED BALANCE SHEET
31 DECEMBER 2022**

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

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

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

N Black - Trustee

The notes form part of these financial statements

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

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

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

The notes form part of these financial statements

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

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

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

2. ANALYSIS OF CHANGES IN NET FUNDS

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

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

1. STATUTORY INFORMATION

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

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

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Preparation of the accounts on a going concern basis

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

Preparation of consolidated financial statements

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

Income

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

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

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

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

2. ACCOUNTING POLICIES - continued

Income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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

Allocation and apportionment of costs

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

Tangible fixed assets

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

Computer equipment - 33% on cost

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

Taxation

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

Fund accounting

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

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

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

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

2. ACCOUNTING POLICIES - continued

Foreign currencies

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

Pension costs and other post-retirement benefits

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

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

Financial instruments

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

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

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

Financial assets are de-recognised when:

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

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

Investments in subsidiaries

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

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

3. DONATIONS AND LEGACIES

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

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

4. COMMERCIAL TRADING ACTIVITIES

	2022	2021
	£	£
Consultancy	42,307	55,358

5. INVESTMENT INCOME

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

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

6. RAISING FUNDS

Raising donations and legacies

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

Raising funds are a support cost of the charity.

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

7. SUBSIDIARY INCOME AND COSTS

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

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

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

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

7. SUBSIDIARY INCOME AND COSTS - continued

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

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

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

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

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

8. CHARITABLE ACTIVITIES COSTS

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

9. GRANTS PAYABLE

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

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

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

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

10. SUPPORT COSTS

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

11. NET INCOME/(EXPENDITURE)

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

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

12. TRUSTEES' REMUNERATION AND BENEFITS

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

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

12. TRUSTEES' REMUNERATION AND BENEFITS - continued

Trustees' expenses

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

	2022	2021
	£	£
Travel expenses	-	-

13. STAFF COSTS

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

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

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

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

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

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

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

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

13. STAFF COSTS - continued

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

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

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

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

15. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

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

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

16. FIXED ASSET INVESTMENTS

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

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

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

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

16. FIXED ASSET INVESTMENTS - continued

IHRB Trading Limited

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

Nature of business: Consultancy Services

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

Myanmar Centre For Responsible Business Limited

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

Nature of business: Consultancy Services

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

IHRB USA

Country of incorporation: USA

Nature of business: Charity

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

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

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

17. DEBTORS – GROUP AND CHARITY

AMOUNTS FALLING DUE WITHIN ONE YEAR

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

18. CREDITORS: GROUP AND CHARITY

AMOUNTS FALLING DUE WITHIN ONE YEAR

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

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

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

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

19. MOVEMENT IN FUNDS

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

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

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

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

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

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

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

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

Unrestricted funds represent monies given to the charity without restrictions.

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

19. MOVEMENT IN FUNDS - continued

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

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

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

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

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

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

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

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

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

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

20. CONTINGENT LIABILITIES

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

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

21. EMPLOYEE BENEFIT OBLIGATIONS

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

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

22. RELATED PARTY DISCLOSURES

IHRB Trading Limited

Subsidiary company

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

Myanmar Centre For Responsible Business Limited

Subsidiary company

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

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

Centre for Sport and Human Rights Limited

Former subsidiary company

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

23. CONTINGENT ASSETS

The charity has been awarded grants totalling £564,740 (2021 - £446,826), which are for time periods that commence after the balance sheet date. As the charity is presently unable to receive or expend these funds they are not recognised in income in the reporting period.