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

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FOR THE YEAR ENDED 31 DECEMBER 2023**

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**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
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**REPORT OF THE TRUSTEES
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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

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

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

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

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OBJECTIVES AND ACTIVITIES

Significant activities

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

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

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

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

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

How our activities deliver public benefit

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

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

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ACHIEVEMENT AND PERFORMANCE

Charitable activities

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

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

Ending Modern Slavery and Fighting Worker Exploitation

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

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

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

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

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

Just Transition

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

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

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

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

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

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

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

The Built Environment

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

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

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

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

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

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

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

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

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

Oceans and Shipping

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

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

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

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

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

Commodities, mining, conflict and trade

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

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Security-related initiatives

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

Alignment of mining initiatives

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

Commodity-trading

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

Gulf Sustain

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

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

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

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

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

Defending the Defenders

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

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

Educating Future Business Leaders

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

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

Ongoing Legacy Work With The IHRB Co-founded Organisations

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

These are:

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

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

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ACHIEVEMENT AND PERFORMANCE

Fundraising activities

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

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

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

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

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

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

Donations and grants made

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

FINANCIAL REVIEW

Financial position

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

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

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

Principal funding sources

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

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FINANCIAL REVIEW

Investment policy and objectives

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

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

Reserves policy

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

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

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

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

Risk management

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

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

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

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

PLANS FOR FUTURE PERIODS

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

Migrant Workers Programme and the Leadership Group for Responsible Recruitment

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

Just Transitions

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

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

Dignity by Design - Human Rights in the Built Environment

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

Gulf Sustain

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

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

Conflict-related work

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

Commodity trading and value chains

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

Recruitment and appointment of new trustees

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

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

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

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

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

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

Julia Batho (Deputy CEO)

Vanessa Bissessur (Chief Operating Officer)

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

Denise Derbyshire (Administrator)

Francesca Fairbairn (Oceans and Commodities Manager)

Frances House (Senior Advisor, Special Programmes)

Scott Jerbi (Senior Advisor, Policy and Outreach)

Kathy McLeish (Governance Officer)

John Morrison (CEO)

Carmen Pedraza (Communications Officer, Migrant Workers programme)

Rakesh Ranjan (South Asia Regional Coordinator)

Alejandra Rivera (Programme Manager, Built Environment (Global)

Deborah Sagoe (Communications Officer)

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Annabel Short (Senior Advisor, Built Environment)

Haley St Dennis (Head of Just Transitions)

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

Salil Tripathi (Senior Advisor, Global Issues)

Neill Wilkins (Head of Migrant Workers programme)

In addition, the Institute currently has fifteen Research Fellows.

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

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

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06882940 (England and Wales)

Registered Charity number

1131790

Registered office

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

Trustees

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

Auditors

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

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

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

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

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

Accountants

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to;

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

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

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

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

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

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

N Black - Trustee

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

Opinion

We have audited the financial statements of Institute For Human Rights & Business Limited (the 'parent charitable company') and its subsidiaries (The 'Group') for the year ended 31 December 2023 which comprise the Group Statement of Financial Activities, the Group and the Parent Charitable Company Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements;
- and the directors' report included within the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Report of the Trustees.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

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

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

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

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

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

Use of our report

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

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

Date: 29 July 2024

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

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

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

CONTINUING OPERATIONS

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

The notes form part of these financial statements

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

**CONSOLIDATED BALANCE SHEET
31 DECEMBER 2023**

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

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

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

N Black - Trustee

The notes form part of these financial statements

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

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

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

The notes form part of these financial statements

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

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

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

2. ANALYSIS OF CHANGES IN NET FUNDS

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

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

1. STATUTORY INFORMATION

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

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

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

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Preparation of the accounts on a going concern basis

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

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

Preparation of consolidated financial statements

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

Income

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

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

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

2. ACCOUNTING POLICIES - continued

Income

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

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

Expenditure

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

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

Allocation and apportionment of costs

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

Tangible fixed assets

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

Computer equipment - 33% on cost

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

Taxation

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

Fund accounting

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

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

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

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

2. ACCOUNTING POLICIES - continued

Fund accounting

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

Foreign currencies

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

Pension costs and other post-retirement benefits

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

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

Financial instruments

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

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

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

Financial assets are de-recognised when:

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

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

Investments in subsidiaries

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

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

3. DONATIONS AND LEGACIES

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

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

4. COMMERCIAL TRADING ACTIVITIES

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

5. INVESTMENT INCOME

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

6. RAISING FUNDS

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

Raising funds are a support cost of the charity.

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

7. SUBSIDIARY INCOME AND COSTS

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

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

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

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

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

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

7. SUBSIDIARY INCOME AND COSTS – continued

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

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

8. CHARITABLE ACTIVITIES COSTS

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

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

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

9. GRANTS PAYABLE

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

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

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

10. SUPPORT COSTS

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

Comparatives for the year ended 31 December 2022:

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

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

10. SUPPORT COSTS – continued

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

11. NET INCOME/(EXPENDITURE)

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

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

12. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' expenses

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

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

13. STAFF COSTS

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

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

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

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

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

13. STAFF COSTS - continued

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

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

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

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

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

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

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

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

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

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

15. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

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

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

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

16. FIXED ASSET INVESTMENTS – CHARITY

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

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

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

IHRB Trading Limited

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

Nature of business: Consultancy Services

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

Myanmar Centre For Responsible Business Limited

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

Nature of business: Consultancy Services

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

IHRB USA

Country of incorporation: USA

Nature of business: Charity

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

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

16. FIXED ASSET INVESTMENTS – continued

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

17. DEBTORS – GROUP AND CHARITY

AMOUNTS FALLING DUE WITHIN ONE YEAR

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

18. CREDITORS: GROUP AND CHARITY

AMOUNTS FALLING DUE WITHIN ONE YEAR

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

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

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

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

19. MOVEMENT IN FUNDS

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

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

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

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

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

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

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

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

Unrestricted funds represent monies given to the charity without restrictions.

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

19. MOVEMENT IN FUNDS - continued

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

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

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

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

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

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

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

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

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

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

20. CONTINGENT LIABILITIES

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

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

21. EMPLOYEE BENEFIT OBLIGATIONS

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

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

22. RELATED PARTY DISCLOSURES

IHRB Trading Limited

Subsidiary company

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

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

Myanmar Centre For Responsible Business Limited

Subsidiary company

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

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

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

23. CONTINGENT ASSETS

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