

INSTITUTE OF BUSINESS ETHICS

England & Wales · Charity number 1180741

Details

Status Registered

Legal form Charitable company

Company number [11594672](#)

Registered 2018-11-16

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

Contact

Address 71-75 Shelton Street
Covent Garden
London
WC2H 9JQ

Phone 07761 459985

Email info@ibe.org.uk

Website www.ibe.org.uk

Activities

Objects: (1) TO ADVANCE PUBLIC EDUCATION IN BUSINESS ETHICS AND RELATED SUBJECTS WITH PARTICULAR REFERENCE TO THE STUDY AND APPLICATION OF ETHICAL STANDARDS IN THE MANAGEMENT AND CONDUCT OF INDUSTRY AND BUSINESS GENERALLY IN THE UNITED KINGDOM AND ELSEWHERE; AND(2)TO PROVIDE FINANCIAL OR OTHER ASSISTANCE TO SUCH OTHER CHARITABLE BODY OR BODIES AS THE TRUSTEES MAY DECIDE FROM TIME TO TIME

Activities: The IBE is a Charity providing space and guidance for organisations and leaders to turn values into action through leadership, culture and decision making.CEO, Lauren Branston (Bryan)- contact - ceo@ibe.org.ukHead of Operations, People and Finance - Sonja McGurk- contact - sonja.mcgurk@ibe.org.uk

Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** Education/training, Economic/community Development/employment
- **Who:** Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- Australia
- Cyprus
- France
- Luxembourg
- New Zealand
- South Africa
- Switzerland
- United States
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£887,791	£1,024,550	£431,080	12
2023-12-31	£891,186	£810,073	£569,653	11
2022-12-31	£828,745	£721,476	£489,043	10
2021-12-31	£824,546	£788,662	£383,996	13
2020-12-31	£930,566	£939,530	£350,809	12

Trustees

Name	Role	Appointed
Flora Page KC	Chair	2025-07-02
Biren Misra		2023-07-05
Fabiola Williams		2023-07-05
LOUISE TERRY		2019-10-23
Mark Dawson		2023-07-05
Meriem Smida		2023-07-05
Michael William TUFFREY		2018-09-28
Sarah Mason		2023-07-05
Siwan Kalatzi		2023-07-05
Timothy Langton		2019-10-23

INSTITUTE OF BUSINESS ETHICS

England & Wales - Charity number 1180741

Accounts



Institute of
Business Ethics

**ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 December 2024**

About the Institute of Business Ethics

The Institute of Business Ethics (IBE) is a company limited by guarantee; it does not have share capital and is a registered charity, established in 1986. It is a not-for-profit organisation funded primarily by corporate and individual supporters.

The directors, who are IBE Trustees and constitute the members of the Charity, present the Directors' and Trustees' Report and the audited financial Statements for the year ended 31 December 2024.

The Board of Trustees is, for company law purposes, also the Board of Directors and has ultimate responsibility for the Charity's activities. It exercises its powers through the Director.

The charitable aim of the IBE is to "to advance public education in business ethics", through leading the dissemination of knowledge and good practice.

To this end, the Institute assists organisations in building and strengthening their ethical culture, engaging with organisations in a wide variety of sectors, to discuss important ethical issues, and use their practical experience and knowledge to better establish and disseminate improved standards and best practice.

IBE Purpose:

To champion the highest standards of ethical behaviour in business

Bankers & address

Royal Bank of Scotland
62-63 Threadneedle Street
London EC2R 8LA

Company number & country of incorporation

11594672 – United Kingdom

Charity number & country of incorporation

1180741- United Kingdom

Registered office and address

71-75 Shelton Street
London
WC2H 9JQ

Key management personnel list

Director: Dr Ian Peters, MBE – until 31 August 2024
Deputy Director: Rachael Saunders-until 16 December 2024
Head of Marketing and Communications: Alex Johnson
Head of Business Engagement: Richard Hardymont
Head of Operations, Finance and HR: Judi Wright

CEO: Lauren Branston (Bryan) – in-post from 1 September 2024

Public Benefit

The Board of Trustees has due regard of the Charities Act 2011 and the Charity Commission guidance on public benefit, in particular the requirement that public benefit can no longer be presumed but must be demonstrated, with specific attention to ensuring our services benefit society to advance and champion the highest standards of ethical behaviour. This aligns with our stated charitable aims and objectives.

The IBE continues to operate as a not-for-profit organisation, ensuring that the funds we receive from our Supporters are put to best use through education, thought leadership and debate about business ethics.

We are substantially dependent on our Supporters for our income and for the public benefit of our work and are enormously grateful for their continued support.

Strategy

In 2020 the IBE's Board of Trustees approved a 5-year strategic plan which set the tone and foundations for a new strategy, establishing a base for future growth. The strategy redefined objectives, set new targets, reinvigorated our message, and developed our programme to meet the new challenges ahead.

The strategic objectives have been to:

- Build our profile and enhance our 'go to' brand.
- Engage more supporters, diversify our supporter base, and augment our services.
- Expand our training and the scope of our webinars.
- Initiate new thought-leadership and seek to engage our supporters more effectively to expand our research and knowledge base.
- More effectively market our range of services and products to both supporters and non-supporters.

Following the appointment of a new CEO, Lauren Branston, in September 2024, the strategy has been reviewed and will be comprehensively updated during 2025.

REPORT OF THE TRUSTEES

Message from the Chair

Political leaders set the tone from the top. Unfortunately, many leaders around the world today promote a dangerous narrative: that power overrides principles, that the rule of law is flexible, and that conflicts of interest are inconsequential. Uncivil discourse has become normalized, minorities are disparaged, and misinformation spreads unchecked. Facts no longer seem to matter, and due process is disregarded. An independent judiciary is even branded as an "enemy of the people."

I often ask myself: "What example does this set for young people?" Many are already grappling with the long-term effects of COVID-19 lockdowns, disrupted education, and the rising cost of living. Born into the digital age, they face unique experiences and threats that older generations struggle to comprehend.

Our future is further imperilled by the climate emergency and biodiversity loss. Respected international scientists warn that six of the nine planetary boundaries have now been crossed, signalling a severe risk to our planet.

Equally pressing is the challenge of extreme global inequality, which both fuels and is exacerbated by crude populism and unethical leadership worldwide.

Meanwhile, we stand at the threshold of an era defined by Artificial General Intelligence (AGI). Nobel Laureate and Google DeepMind founder Demis Hassabis states, "AI will affect the whole world... It's going to change everything."

Recent research from the IBE reveals that AI, particularly in the workplace, is a source of deep anxiety for employees worldwide. Many fear for their jobs, livelihoods, and sense of purpose. Just as the energy transition must be fair and inclusive to gain public acceptance, so too must the evolution of AI. We need a Just Transition for AGI—one that ensures it is safe, fair, and ethical.

It would be naïve to suggest that businesses alone can solve the crises of unethical political leadership, climate change, biodiversity loss, global inequality, or the unchecked expansion of AI. Addressing these complex, interwoven challenges requires a collective effort from active citizens, civil society, responsible political leaders, governments, and ethical businesses alike.

Yet, ethical and sustainable businesses have a vital role to play.

The current moment may feel dark, but history reminds us of the power of collective action. The 18th-century political philosopher Edmund Burke warned, "All that is necessary for evil to triumph is for good [people] to do nothing." Now is the time for the great, silent majority—responsible businesses, citizens, and civil society—to take a stand.

This marks my final introduction to an IBE Annual Report as Chair. Serving in this role for the past six years has been a privilege. I extend my heartfelt thanks to my fellow trustees, past and present, as well as to the dedicated staff, Advisory Council members, and supporters. The mission of the IBE has never been more critical than it is today. I hope that many more individuals and organizations will step forward to support its work at this pivotal moment.

David Grayson
July 2025

Activities of the Institute of Business Ethics

The Board of Trustees present their report and the audited financial statements for the year ended 31 December 2024.

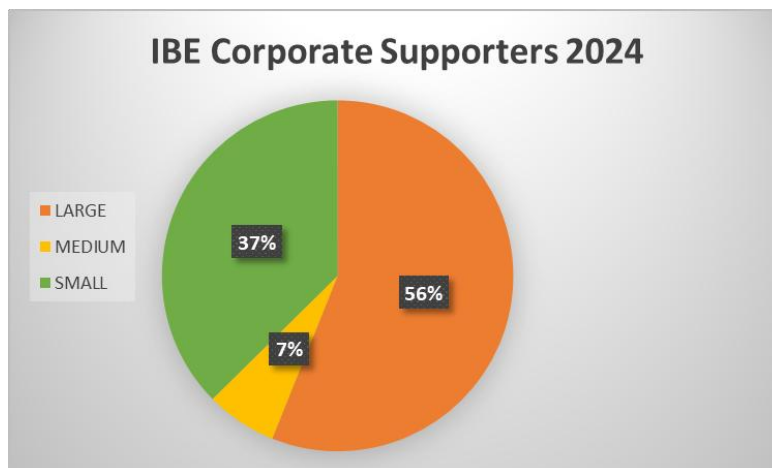
The IBE provides specialist advisory and training services, and delivers an extensive programme of research, surveys, and publications to inform business and the public in relation to business ethics. Much information is made freely available through our website, but it is our Supporters that have the most influence on the IBE's priorities and work programmes and, most importantly, they enjoy the significant advantages that come from participation in our unique supporter networks.

Engagement with our supporters

The IBE's work is funded by corporate and individual supporters. Through their donations, the Institute is able to realise its purpose.

Our supporters join a community of individuals and organisations committed to promoting the highest standards of business conduct based on ethical values. Our work is informed and shaped by engagement with our supporters and the insight this provides us. Our ongoing programme of engagement meetings has proved successful and informative for both the IBE and its supporters and has led to further interest and commissioned work.

It is important to our mission that we achieve a broad focus, which means working not just with ethics and compliance specialists but also those in other functions and senior leadership teams. We believe that ethics is increasingly relevant right across organisations. To achieve this, we are stepping up efforts to engage with those at board and senior leadership level, as well as reaching beyond ethics functions into new parts of the organisation, thereby increasing our influence and impact.



Through our Supporter-only networks, roundtables, and workshops:

- we connect businesses and ethics professionals working in similar fields and facing similar challenges, for industry and issue-specific confidential networking events, to identify emerging trends and share best practices,
- we provide a neutral, safe space to allow Chatham House Rule dialogue with industry peers and experts on the ethical dilemmas that businesses face.

Supporters' Forum

Our annual Supporters' Forum is an opportunity for IBE supporters to connect and hear about the IBE's work and provide input to our plans for the forthcoming year. This annual meeting is key to helping the IBE ensure that it is responsive to the latest developments in business ethics and thereby meeting the needs of our Supporters.

Business Ethics Network

Key to engagement with our supporters is our Business Ethics Network (BEN). It provides a confidential forum for the sharing of both good practice and any challenges faced in implementing an effective ethics programme. BEN members also contribute significantly to the IBE's work programme by informing and influencing our priorities for future discussions and research. BEN meetings take place on a monthly basis.

Ethics Leaders Roundtables

Since its inception in 2021, the Ethics Leaders Roundtable meetings have had a significant impact on the work of the IBE. Designed for the leaders of ethics functions to exchange views on the latest developments with a strategic focus, these small group discussions facilitate a greater depth of exchange at a more senior level.

Sector Groups

In order to address concerns relevant to specific areas of business, we host a number of sector groups, such as the Defence Practitioners (DPG), and the Utilities Sector (USG). These groups are for those responsible for ethics within their organisation to meet and explore specific ethical challenges in their sector, with the IBE facilitating and the discussion.

Two further groups comprise the **Bank Culture Chairs Group** (BCCG) being the Non- Executive Chairs of the committees looking at ethics and culture of six leading UK banks; and **Professionals against Corruption** (PaC), a group of professional services firms from the legal and accountancy sectors, committed to work together on the anti-money laundering and anti-corruption agenda.

The IBE provides the independent chair and secretariat for BCCG, and the secretariat and advisory services to support PaC.

Advisory Services and Training

As an independent non-profit organisation, our unique and pragmatic perspective allows us to work with organisations to support them on with a range of advisory services. Our advisory services are a means of ensuring we remain both current in our understanding of the shifts in the nature of ethical challenges in fast-evolving workplaces, and as a means of sharing expertise and good practice with others.

In addition, advisory work is an important means of diversifying our income sources. Assignments undertaken during 2024 included work with a multinational resource company, a major UK financial institution and an international investment bank.

Training

The IBE has a long tradition and a strong belief in training. In 2023, we moved our Introduction to Business Ethics and Developing an ethics programme course to being free and on-demand for all our supporters. We also provide workshops and corporate in-house training, offering bespoke training sessions to all levels of staff, from boards and senior management to operational personnel.

All our various training services provide both online and face-to-face options as required.

Products

We provide a range of practical and easy to use toolkits which can be customised to the needs of the individual organisation. These include:

Say No Toolkit

A web-based product and app decision-making tool, designed to help organisations support their employees to make the right decision when faced with difficult situations such as whether to accept a gift or hospitality, a facilitation payment, or when faced with a conflict of interest.

Speak Up Toolkit

This app helps employees prepare themselves to raise a concern at work. It answers questions about the entire process – from noticing a problem and having a conversation through to what to expect if you call a Speak Up helpline or if your concern is investigated.

Business Ethics Toolkit

This toolkit provides a guide for business owners, chief executives or managers seeking to make their ethical values explicit, and to protect their business against ethical lapses. It suggests a simple, affordable approach to design an ethics framework, and it is intended to be particularly useful to small and medium sized businesses, start-ups, and growth companies.

Research & Thought leadership

Our research provides the foundation for our thought-leadership and our advisory services. We focus on topics with practical application and seek to support business through the promotion of the latest solutions and ideas. All our work is published on our website, and in 2024 included: Ethical Risks Survey and Attitudes of the British Public to Business Ethics.

A key project during 2024 was the development and publication of our **Ethics at Work survey 2024**. This triennial report is based on a survey of over 12,000 employees in 16 countries. This year, we also compared the results with previous surveys from 2012, 2018 and 2021. It will continue to be a major source of our work as we delve deeper into the important and challenging issues faced by all organisations as they look to build on their ethical culture.

Website

Work is ongoing to refresh and improve the IBE website. We have continued to feature **regular blogs** where IBE staff, trustees, supporters and invited guests contribute to topical ethical debates. These blogs engender comment and debate on ethical culture and reviews of ethics-related books. In 2024 we began work on an upgrade to the website which will be completed in 2025.

Events

IBE events are typically provided free of charge. Most discussions and publication launches are open to the public and are advertised on our website. Alongside these, the IBE runs a series of private discussions and workshops available to corporate supporters only.

Many of our events were online, with recordings of our webinars made available as a free resource on our website and via YouTube to further the Institute's public and geographic outreach.

During 2024 we hosted:

- 5 public webinars with more than 500 attendees.
- European Business Ethics Forum (in France jointly with French and US partners) with 80 paid registrants. This was the 21st year of the annual forum and the last. We extend thanks to our partners, CEA (Cercle d'Ethique des Affaires, France) and ECI (Ethics and Compliance Initiative, US), the speakers and participants.
- Our Annual Lecture (speaker: Richard Moriarty, CEO of **the Financial Reporting Council** (FRC)), and our annual Summer event which allow us to network and interact with supporters and other interested parties. It was also an opportunity to thank our outgoing Director, Dr Ian Peters, for his contribution and stewardship of the IBE, and to welcome our new CEO, Lauren Branston, who took office on 1 September.

Business Ethics in Education

A further part of IBE's mission is the education of the next generation of business leaders, sensitising them to the importance of ethical business practice and ethical issues. In 2023 we launched a new initiative: **The Future Leaders Forum**. This evolved into the Future Leaders Ethics Network and throughout 2024, we continued to engage and network with early career and future leaders professionals

(up to age approximately 30-35) to discuss and better understand their views on business ethics and what they want to see change to promote ethical behaviour in organisations. We have also re-engaged our Academic Network on university supporters and will be evolving plans in 2025 to further this collaboration.

Advocacy

The IBE provides advice to policy makers in government, supports corporate governance consultations and reviews, and is an advocate for ethical business practice.

The Trustees and staff make presentations and speak at conferences nationally and internationally advocating good business practice and offer the media and others an informed opinion and advice on current issues and good practice.

In particular, we engaged with the following:

- FRC – Member of the Stakeholder Insight Group and review of the Wates Principles for Private Companies, and contributed to the review of the UK Corporate Governance Code
- CBI's Culture Advisory Committee to advise and challenge CBI on addressing cultural issues
- IoD Commission to create a code of conduct for directors
- CISI – Member of the Ethics & Integrity Committee
- Purpose driven leadership workshop with the Long Run Institute and Institute of Leadership
- Purpose Centre of Gravity Group
- Law Taskforce

Structure, Governance and Management

The Institute of Business Ethics is an incorporated charity, re-registered with the Charity Commission on 1 April 2019, as a Company limited by Guarantee. It is governed by a Memorandum and Articles, dated September 2018.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the financial statements and comply with the charity's Articles, applicable law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Board of Trustees

The Board of Trustees is responsible for the overall strategic direction of the Institute, ensuring that the IBE abides by its charitable aim, works within the law, and delivers its mission effectively. The Trustees are led by the Chair of the board.

Trustees serve a maximum of three three-year terms and attend quarterly meetings.

Trustee vacancies are advertised when there is a particular skills gap and when a term of office comes to an end within the overall membership of the Board of Trustees. Applicants are interviewed by the Nominations Committee, and appointments are ratified by the whole Trustee body. Trustee induction is held at the start of the term and training is provided, as and when identified by the Chair and/or other trustees. All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 5 in the accounts.

During 2024, the Board of Trustees undertook a useful Board Effectiveness Review and led the recruitment of the new CEO.

Decision-making

The Trustees reserve the following decisions to themselves:

- Setting the strategy for the Charity.
- Approval of capital expenditure items of £10,000 or more
- Approval of the annual operating plan and budget, including the staff plan
- Approval of annual remuneration of staff and any termination or redundancy packages
- Approval of contracts and policies not in the ordinary course of affairs
- All Director/CEO level appointments
- Approval of the IBE's code of ethics
- Appointments of all Trustees and Advisory Council members
- Approval of the Annual Report and Accounts
- Approval of reserves and investment policies
- Appointment of the Auditor

The Trustees delegate the following decisions to the Director/CEO:

- Hiring of staff within the staff plan
- Capital expenditure up to £5,000 with reference to the Chair and Treasurer on sums between £5,000 and £10,000
- Day-to-day operational decisions in relation to the delivery of the budget and strategic plan.

Advisory Council

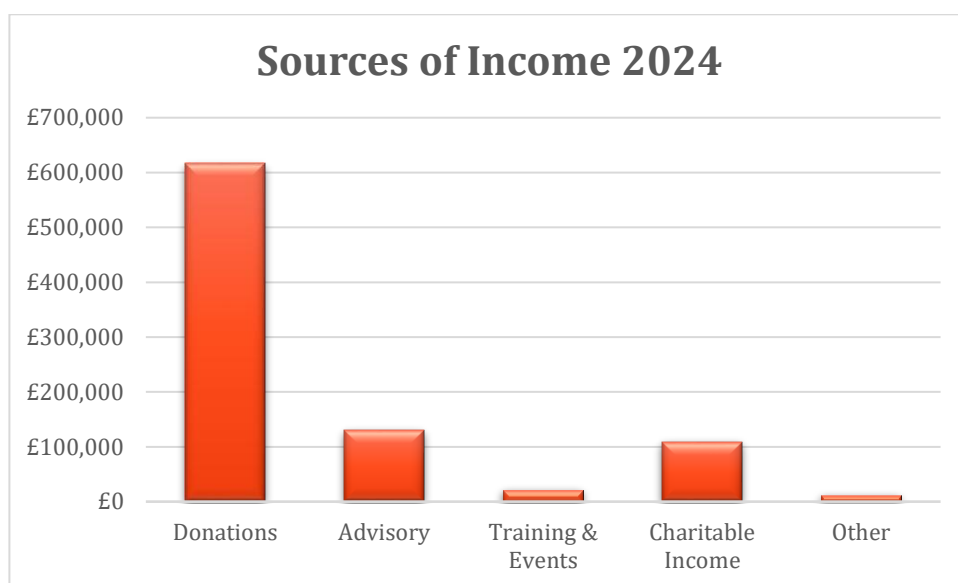
The Advisory Council members, who include the President and the Vice Presidents, provide the IBE with advice and guidance on its work programme, thought leadership and strategy. They are invited to attend quarterly meetings and receive copies of relevant IBE reports and the IBE's events programmes and publications. In addition, The President and the Vice Presidents receive copies of the Trustees' meeting minutes. The Advisory Council does not form part of the Institute's formal governance structure.

Funding

The IBE receives financial support from corporate supporters, individuals, and associations. The Institute also generates income from the provision of advisory services, corporate training courses, project funding, bespoke research and products and events, as well as from public training courses and the sale of publications to non-supporters.

Sources of income

Through their donations, IBE supporters help to promote ethical business practice. They are encouraged to engage with us via events, publications, advice, and other services that the IBE provides. Diversification of cash funds and investments is regularly reviewed in order to reduce exposure of financial risk to any single institution.



Reserves & going concern

The income of the Institute of Business Ethics depends mainly on donations from companies, which can fluctuate from year to year. Any reduction in these can have a considerable impact on income. In addition, the Institute initiates and incurs costs for projects that may or may not generate equivalent revenue.

The Trustees regularly review the organisation's reserves policy and following board approval, the current policy has been put in place based on the following principles:

- Provide adequate working capital to cover the usual cash flow variability.
- To cover unforeseen financial difficulties, to allow time for the Board and management to take remedial action, should income unexpectedly fall off or unplanned expenditure be incurred.

These two provide our normal operational reserves.

- When we receive income subject to specific stipulations which is unspent at the end of the financial year, the balance will be carried forward as restricted reserves, signalling they are not available for general purposes.
- We may also wish to hold additional 'earmarked' reserves – designated funds within our unrestricted reserves – so as to be able to make strategic investments in future.

A review shows that to cover routine operations together with salaries for a 3-month period, based on 2024 numbers, this equates to £203,232.

Based on these calculations, the Board confirmed that for 2024 we should continue to hold a minimum of £300,000 in reserves, to cover both routine operations as well as any further expenditure needed outside the norm. The IBE met this policy during the reporting period and continues to do so. However, the Board and management continue to monitor closely the level of reserves alongside income and expenditure.

As of 31 December 2024, total funds were £431,080 of which unrestricted free reserves were £398,930. Note 15a of the accompanying accounts explains our future plans to disburse the restricted and designated funds held in reserve.

In reviewing our business and financial plans for the coming year, the trustees took account of possible outcomes should our supporter renewal rates decline, and the flexibility we have within our cost budget to offset any income shortfall.

The trustees believe the charity will have sufficient resources to meet its liabilities as they fall due. As such, they remain satisfied that the charity can continue operating for the foreseeable future and these accounts have been prepared on a going concern basis.

Investment policy

Investments are stated at market value. The Trustees consider social, ethical, and environmental considerations when deciding where the Institute's funds are invested.

Remuneration policy

IBE is committed to ensuring that we pay our staff fairly, and in a way that ensures we attract and retain the right skills to have the greatest impact in delivering our charitable objectives.

Following recommendations from the Remuneration Committee (established in 2020), the Board of Trustees approve any annual percentage increase in the payroll for all staff in November, for the following salary year beginning in January, considering CPI as of 30 September of the current year and the latest figures for inflation and average earnings growth. This also includes any non-consolidated pay awards and staff salary increases outside of the annual review process as recommended from time to time by the Director / CEO.

The appropriateness and relevance of the remuneration policy is reviewed annually by the Director / CEO who is entrusted to ensure that the review includes reference to comparisons with other relevant organisations, ensuring IBE remains sensitive to the broader issues e.g., pay and employment conditions, meets all national pay standards, and provides all paid staff with a living wage. Salaries are benchmarked against similar roles within like-minded charities, the Charity Salary Survey, and other comparable roles.

The Director / CEO reviews all staff pay levels annually, and new proposals are put to the Remuneration Committee and subsequently to the Board of Trustees for review and approval. The Director / CEO is in attendance for the meeting but leaves for any discussion regarding their own remuneration.

Pension policy

The IBE has adhered to the Auto-Enrolment Scheme, all employees are automatically enrolled in the company pension scheme and new employees will be automatically enrolled in the National Employment Savings Trust (NEST) in accordance with the company's obligations under the Pensions Act 2008.

Risk management

The IBE maintains an ongoing commitment to manage risks. The risk register forms part of the board pack, and the Director / CEO and executive team monitor the 8 identified areas of risk (see below) and any newly identified risks on a regular basis, with any changes reported to the board at each meeting.

<u>Governance</u>	Failure to govern the institute in accordance with its objectives and external regulatory requirements
<u>People</u>	Failure to ensure right skills and resources to deliver objectives
<u>Relevance</u>	Failure to maintain relevance to business leading to loss of support and income
<u>Profile</u>	Failure to maintain profile and promote the IBE
<u>Finance</u>	Failure to maintain effective financial controls leads to financial loss
<u>Compliance</u>	Failure to comply with all legal and regulatory obligations
<u>IT</u>	Failure to maintain / upgrade IT systems and security
<u>External</u>	Failure to anticipate crisis

IBE Code of Ethics

The IBE has a Code of Ethics for all staff and Trustees, which is published on the website. It was reviewed and updated in 2021 and again in 2024.

Our values are to be:

Respectful – we respect the diversity of thought and perspectives offered by others. We are inclusive and treat others as they would want to be treated (consistent with ethical values).

Collaborative – we work as one team, empowering and supporting each other to achieve high quality results.

Trustworthy – we act with integrity, building strong relationships based on openness and honesty.

Courageous – we stand up for what's right, take managed risks and learn from experience when things go wrong.

Entrepreneurial – we are dynamic and innovative, seeking to achieve high performance, impact and growth to further the IBE's purpose.

Customer Focused – we treat our customers as partners and look to create powerful relationships based on professionalism, relevance, and subject-matter expertise.

In order to mitigate reputation risk and avoid potential conflicts of interest, the Trustees and senior staff have a Register of Interests for internal use. This is completed by new Trustees on appointment and reviewed annually.

Annual review of board effectiveness

The Chair conducts 1:1 interviews with each trustee at the end of the year, collated feedback and a paper is presented to the first board meeting of the following year. In 2024, this exercise was completed by David Jackson, a member of our Advisory Council with a follow-up workshop.

Statement of Trustees' Responsibilities

The board of trustees, who are also directors of Institute of Business Ethics for the purposes of company law, are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these 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
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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 auditor is unaware.
- 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 auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 2024 Year End was 16, as trustees are still guarantors for one year after resigning. The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity. The trustees who served during the year, and their pattern of attendance at board meetings, are shown in the table below.

Trustees	13-Mar	03-Jul	18-Sep	04-Dec
David Grayson (Chair)	✓	✓	✓	✓
Mike Tuffrey	✓	✓	✓	✓
Loree Gourley (Vice-Chair)	✓	X	✓	✓
Ian Dyson	✓	✓	✓	Retired
Tim Langton	✓	✓	✓	✓
Louise Terry	✓	✓	✓	✓
Jason Engelbrecht	x	Retired		
Sarah Mason (Treasurer)	✓	✓	✓	✓
Biren Misra	✓	✓	✓	x
Fabiola Williams	✓	✓	✓	✓
Mark Dawson	✓	X	✓	✓
Meriem Smida	✓	X	✓	✓
Siwan Kalatzi	✓	✓	✓	✓

Trustees:

- ❖ David Grayson, CBE – Chair
- ❖ Mike Tuffrey
- ❖ Ian Dyson QPM- Retired September 2024
- ❖ Jason Engelbrecht- Retired May 24
- ❖ Loree Gourley – Vice Chair
- ❖ Tim Langton
- ❖ Louise Terry
- ❖ Sarah Mason - Treasurer
- ❖ Biren Misra
- ❖ Fabiola Williams
- ❖ Mark Dawson
- ❖ Meriem Smida
- ❖ Siwan Kalatzi

Advisory Council:

- ❖ Simon Thompson – President
- ❖ Ram Gidoomal CBE – Vice President
- ❖ Jasmine Whitbread-Vice President
- ❖ Iain Anderson
- ❖ Lord Brendan Barber
- ❖ Sir Douglas Flint CBE
- ❖ Annabel Gillard
- ❖ David Jackson
- ❖ John Williams
- ❖ Sir Mark Moody Stuart
- ❖ Chris Moorhouse
- ❖ Ruth Rawling
- ❖ Barbara Ridpath
- ❖ Robert Smith
- ❖ Professor Laura Spence
- ❖ Lord Evans of Weardale
- ❖ Loren Shuster
- ❖ Andrew Hill
- ❖ Amanda Mackenzie LVO OBE
- ❖ Marsha Ramroop
- ❖ Paul Wilden

Auditors

Sayer Vincent were re-appointed as the charity's auditors during the year and have expressed their willingness to act in that capacity.

The accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime. The trustees' annual report has been approved by the trustees on 2 July 2025 and signed on their behalf by

David Grayson, CBE
Chair of Trustees

Independent auditor's report

To the members of

Institute of Business Ethics

Opinion

We have audited the financial statements of Institute of Business Ethics (the 'charitable company') for the year ended 31 December 2024 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Institute of Business Ethics' 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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

Independent auditor's report

To the members of

Institute of Business Ethics

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 trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which 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 directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

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

Independent auditor's report

To the members of

Institute of Business Ethics

Auditor's 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud.
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Independent auditor's report

To the members of

Institute of Business Ethics

- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Joanna Pittman (Senior statutory auditor)
8 July 2025
for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

Institute of Business Ethics

Statement of financial activities (incorporating income and expenditure account)

For the year ended 31 December 2024

				2024		2023	
	Note	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Income from:							
Donations and legacies	2	615,888	-	615,888	590,630	-	590,630
Charitable activities							
Advisory services		129,894	-	129,894	156,035	-	156,035
Training & Events		21,512	-	21,512	63,756	-	63,756
Marketing, Comms & Pubs		911	-	911	1,050	-	1,050
Other Charitable Income		-	109,000	109,000	56,454	13,250	69,704
Other		10,586	-	10,586	10,011	-	10,011
Total income		778,791	109,000	887,791	877,936	13,250	891,186
Expenditure on:							
Raising funds	3a	117,714	-	117,714	111,381	-	111,381
Charitable activities							
Advisory services	3a	194,257	-	194,257	195,661	-	195,661
Research	3a	34,168	112,552	146,720	64,220	7,163	71,383
Training & Events	3a	138,054	-	138,054	139,244	-	139,244
Marketing, Comms & Pubs	3a	258,127	-	258,127	230,058	-	230,058
Supporter Engagement	3a	169,678	-	169,678	62,345	-	62,345
Total expenditure		911,998	112,552	1,024,550	802,909	7,163	810,073
Net income / (expenditure) before net gains on investments		(133,207)	(3,552)	(136,759)	75,027	6,087	81,113
Net gains on investments	10	(965)	-	(965)	864	-	864
Net income / (expenditure)		(134,172)	(3,552)	(137,724)	75,891	6,087	81,977
Transfers between funds		5,664	(5,664)	-	-	-	-
Net income / (expenditure) before other recognised gains and losses	4	(128,508)	(9,216)	(137,724)	75,891	6,087	81,977
Gains / (losses) on foreign exchange		(849)	-	(849)	(1,367)	-	(1,367)
Net movement in funds		(129,357)	(9,216)	(138,573)	74,524	6,087	80,610
Reconciliation of funds:							
Total funds brought forward		554,500	15,154	569,653	479,976	9,067	489,043
Total funds carried forward		425,143	5,938	431,080	554,500	15,154	569,653

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. All movements in funds are disclosed above. There has been a change in the charitable activities in this year which is reflected in this year's figures and the previous year's accounts.

Balance sheet

Company number 11594672

As at 31 December 2024

	Note	£	2024 £	£	2023 £
Fixed assets:					
Tangible assets	9		6,751		8,757
Intangible assets	9		-		455
Investments	10		26,421		27,386
			<u>33,172</u>		<u>36,598</u>
Current assets:					
Debtors	11	4,901		32,448	
Cash at bank and in hand		520,608		739,144	
		<u>525,509</u>		<u>771,592</u>	
Liabilities:					
Creditors: amounts falling due within one year	12	127,601		238,537	
			<u>397,908</u>		<u>533,055</u>
Net current assets					
			<u>431,080</u>		<u>569,653</u>
Total net assets					
The funds of the charity:					
Unrestricted income funds:					
Designated funds	15a	19,461		19,462	
General funds		405,681		535,038	
		<u>425,142</u>		<u>554,500</u>	
Total unrestricted funds					
Restricted funds	15a		5,938		15,153
			<u>431,080</u>		<u>569,653</u>
Total charity funds					

Approved by the trustees on 2 July 2025 and signed on their behalf by

David Grayson, CBE

Chair

Statement of cash flows

For the year ended 31 December 2024

	2024		2023	
	£	£	£	£
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	(137,724)		81,977	
Gain / (Loss) on investments	965		(864)	
Depreciation and amortisation	4,796		16,716	
Decrease / (Increase) in debtors	27,547		(19,313)	
(Decrease) / Increase in creditors	(110,936)		67,299	
Net cash used in operating activities		(215,352)		145,815
Cash flows from investing activities:				
Purchase of fixed assets	(2,335)		(4,851)	
Net cash used in investing activities		(2,335)		(4,851)
Change in cash and cash equivalents in the period		(217,687)		140,964
Cash and cash equivalents on transfer of funds / start of period		739,144		599,547
Change in cash and cash equivalents in the prior period		-		-
Change in cash and cash equivalents due to foreign exchange		(849)		(1,367)
Cash and cash equivalents at the end of the period		520,608		739,144

Analysis of cash and cash equivalents

	At 1 January 2024	Cash flows	Other changes	At 31 December 2024
	£	£	£	£
Cash in hand	739,144	(217,687)	(849)	520,608
Total cash and cash equivalents	739,144	(217,687)	(849)	520,608

1 Accounting policies

a) Statutory information

Institute of Business Ethics is a charitable company limited by guarantee and is incorporated in England and Wales on 28 September 2018.

The registered office address and principal place of business is 71-75 Shelton Street, London, WC2H 9TQ.

b) Basis of preparation

The financial statements have been prepared in accordance with 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) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1 Accounting policies (continued)

h) Expenditure and irrecoverable VAT treatment

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering advisory services, undertaking research and providing training courses and events on ethical matters. Charitable activities also include outreach to supporters and users via engagement, publications and meetings
- The Admin & IT and other costs represents those items not falling into any other heading

Irrecoverable VAT is charged to the accounts in the same proportion as staff costs.

i) Allocation of support and governance costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

	Staff costs	Office support
<input type="checkbox"/> Cost of raising funds	9%	13%
<input type="checkbox"/> Advisory Services	14%	20%
<input type="checkbox"/> Research	10%	14%
<input type="checkbox"/> Training & Events	11%	15%
<input type="checkbox"/> Marketing, Webs & Publications	15%	21%
<input type="checkbox"/> Supporter engagement	12%	17%
<input type="checkbox"/> Admin, IT and other support costs	29%	

j) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

k) Operating leases

There are no operating leases at this time. IBE has a rolling contract to rent office space at the CGI (Chartered Governance Institute), but most of the staff continue to work remotely.

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

1 Accounting policies (continued)

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Full details are given in the financial instruments note.

p) Pensions

The charity operates a defined contribution scheme, whereby it will put in a contribution of 5% of an employee's gross salary. Pension contributions are paid monthly in arrears, and can commence once the employee has completed the standard 3 month probationary period. There is no obligation for any employee to join the scheme and the charity has no further obligations once payments have been made.

q) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rate in use is 4 years.

r) Intangible assets

The new IBE website, developed in 2019 went live on 13 January 2020. All installation and development costs have been classed as intangible assets. Support costs, website hosting and domain name costs are considered to be normal running costs and will be expensed in the period they are incurred.

Amortization is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The amortization rate in use is 4 years, and all costs have been apportioned in early 2024.

Institute of Business Ethics

Notes to the financial statements

For the year ended 31 December 2024

2 Income from donations and legacies

	2024	2023
	Total	Total
	£	£
Corporate subscriptions	601,909	586,423
Individual subscriptions	1,840	4,207
Other donations	2,250	
Legacy income	9,889	-
	615,888	590,630

2a Breakdown of other charitable income category

	Unrestricted	Restricted	2024	2023
	£	£	Total	Total
			£	£
The Law Project - restricted fund	-	43,500	43,500	13,250
Ethics @ Work 2024 - restricted fund	-	65,500	65,500	-
Say No toolkit	-	-	-	16,705
Funds to translate IBE main publication	-	-	-	34,749
Ethical Risk Project	-	-	-	5,000
	-	109,000	109,000	69,704

3a Analysis of expenditure (current period)

	Charitable activities							2024 £
	Cost of raising funds	Advisory Services £	Research £	Training & Events £	Marketing, Comms & Publications £	Supporter Engagement & Recruitment £	Admin, IT, Governance, Support costs £	
Staff costs (Note 5)	80,507	134,130	40,466	69,533	120,308	120,071	173,165	738,180
Direct expense	-	2,250	-	8,504	75,807	-	-	86,561
Events - EBEF	-	-	-	14,543	-	-	-	14,543
LAW project expenses	-	-	1,925	-	-	-	-	1,925
Ethics at Work 2024	-	-	62,988	-	-	-	-	62,988
Office costs	6,664	10,367	7,404	8,145	11,107	8,885	21,473	74,045
Recruitment costs	2,557	3,977	2,841	3,125	4,262	3,409	8,239	28,410
Professional fees & insurance	1,611	2,505	1,790	1,969	2,685	2,148	5,190	17,898
	91,339	153,229	117,414	105,819	214,169	134,513	208,067	1,024,550
Admin, IT and office support	26,375	41,028	29,306	32,235	43,958	35,165	(208,067)	-
Total expenditure 2024	117,714	194,257	146,720	138,054	258,127	169,678	-	1,024,550

3b Analysis of expenditure (previous period)

	Charitable activities							2023 £
	Cost of raising funds	Advisory Services £	Research £	Training & Events £	Marketing, Comms & Publications £	Supporter Engagement & Recruitment £	Admin, IT, Governance, Support costs £	
Staff costs (Note 5)	79,025	144,431	34,584	54,913	107,107	42,375	137,660	600,095
Direct expense	-	-	14,566	5,573	77,112	-	-	97,251
Events - EBEF	-	-	-	49,098	-	-	-	49,098
PaC expense	-	-	-	-	-	1,095	-	1,095
Law Project direct expense	-	-	663	-	-	-	-	663
Office & IT support costs	4,895	7,750	3,263	4,487	6,934	2,855	10,606	40,790
Professional fees & insurance	2,529	4,005	1,686	2,319	3,584	1,476	5,481	21,080
	86,449	156,186	54,763	116,390	194,737	47,801	153,747	810,073
Admin, IT and office support	24,932	39,475	16,621	22,854	35,321	14,544	(153,747)	-
Total expenditure 2023	111,381	195,661	71,384	139,244	230,058	62,345	-	810,073

4 Net income for the period

This is stated after charging / crediting:

	2024	2023
	£	£
Auditor's remuneration (excluding VAT):		
Audit	8,925	8,500
Foreign exchange gains or (losses)	(849)	(1,367)
	7,076	7,133

5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024	2023
	£	£
Salaries and wages	646,097	526,068
Social security costs	52,523	50,879
Employer's contribution to defined contribution pension schemes	27,580	23,148
Settlement and restructuring costs	11,980	-
	738,180	600,095

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the accounting period between:

	2024	2023
	No.	No.
£60,000 - £69,999	1	1
£70,000 - £79,999	1	1
£80,000 - £89,999	1	-
£100,000 - £109,999	1	-
£110,000 - £119,999	-	1

The total employee benefits (including any settlement and restructuring costs; pension contributions and employer's national insurance) of the key management personnel were £261,105 (2023: £264,981).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the period. No charity trustee received payment for professional or other services supplied to the charity.

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2023: £nil) incurred by 0 members (2023: 0) relating to attendance at meetings of the trustees.

6 Staff numbers

The average number of employees (head count based on number of staff employed) during the accounting period was as follows:

	2024	2023
	No.	No.
Raising funds	1.2	1.2
Advisory Services	1.7	2.1
Training & Events	1.4	1.1
Research	1.3	0.9
Marketing/Comms & Publs	2.0	1.8
Supporter Engagement	1.5	0.9
Admin, IT & support	3.7	2.7
	12.8	10.7

The average number of employees (full time equivalents) during the accounting period was as follows:

	2024	2023
	No.	No.
Raising funds	1.0	1.1
Advisory Services	1.5	1.9
Training & Events	1.2	1.0
Research	1.1	0.7
Marketing/Comms & Publs	1.7	1.6
Supporter Engagement	1.3	0.8
Admin, IT & support	3.1	2.5
	10.9	9.6

7 Related party transactions

There are no donations from related parties to disclose for 2024 (2023: none) which are outside the normal course of business and no restricted donations from related parties.

8 Taxation

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

9 Fixed assets	Computers £	Total £
Cost - fixed		
At the start of the period	19,771	19,771
Additions in the period	2,335	2,335
At the end of the period	22,106	22,106
Depreciation		
At the start of the period	11,014	11,014
Charge for the period	4,341	4,341
At the end of the period	15,355	15,355
Net book value		
At the end of the period	6,751	6,751
At the start of the period	8,757	8,757
Cost - intangibles	Website £	Total £
At the start of the period	51,248	51,248
At the end of the period	51,248	51,248
Depreciation		
At the start of the period	50,793	50,793
Charge for the period	455	455
At the end of the period	51,248	51,248
Net book value		
At the end of the period	-	-
At the start of the period	455	455

All of the above assets are used for charitable purposes.

10 Listed investments measured through profit and loss

	2024 £	2023 £
Fair value at the start of the period	27,386	26,522
Net gain / (loss) on change in fair value	(965)	864
Fair value at the end of the period	26,421	27,386

Investments comprise:

	2024 £	2023 £
UK Common investment funds	26,421	27,386
	26,421	27,386

11 Debtors

	2024 £	2023 £
Trade debtors	1,000	26,558
Other debtors	-	90
Prepayments	3,901	5,800
	4,901	32,448

12 Creditors: amounts falling due within 12 months

	2024 £	2023 £
Taxation and social security	28,747	14,464
VAT	(1,536)	2,775
Accruals	18,950	27,778
Deferred income	81,440	193,520
	127,601	238,537

13 Deferred income

Deferred income comprises fees, corporate or individual subscriptions that have been paid in advance.

	2024 £	2023 £
Balance at the beginning of the period	193,520	116,303
Amount released to income in the period	(193,520)	(116,303)
Amount deferred in the period	81,440	193,520
Balance at the end of the period	81,440	193,520

14a Analysis of net assets between funds (current period)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible and intangible fixed assets	6,751	-	-	6,751
Investments	26,421	-	-	26,421
Net current assets	372,509	19,461	5,938	397,908
Net assets at 31 December 2024	405,681	19,461	5,938	431,080

14b Analysis of net assets between funds (prior period)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible and intangible fixed assets	8,189	-	1,023	9,212
Investments	27,386	-	-	27,386
Net current assets	499,463	19,462	14,130	533,055
Net assets at 31 December 2023	535,038	19,462	15,153	569,653

15a Movements in funds (current period)

	At 1 January 2024 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2024 £
Restricted funds:					
Contributed Income, Research & Publication Fund	5,664	-	-	(5,664)	-
Ethics @ Work 2021 fund	3,403	-	-	(3,403)	-
Ethics @ Work 2024 fund		65,500	(62,988)	3,403	5,915
The Law Project	6,087	43,500	(49,564)		23
Total restricted funds	15,154	109,000	(112,552)	(5,664)	5,938
Unrestricted funds:					
Designated fund: Professionals against Corruption (PaC)	19,461	-	-	-	19,461
General funds	535,038	778,791	(913,812)	5,664	405,681
Total funds	569,653	887,791	(1,026,364)	-	431,080

The narrative to explain the purpose of each fund is given at the foot of the note below.

15b Movements in funds (prior period)

	At 1 January 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2023 £
Restricted funds:					
Contributed Income, Research & Publication Fund	5,664	-	-	-	5,664
Ethics @ Work 2021	3,403	-	-	-	3,403
The Law Project	-	13,250	(7,163)	-	6,087
Total restricted funds	9,067	13,250	(7,163)	-	15,154
Unrestricted funds:					
Designated fund: Professionals against Corruption (PaC)	26,473	-	(1,095)	(5,917)	19,461
General funds	453,503	877,936	(802,318)	5,917	535,038
Total unrestricted funds	489,043	891,186	(810,576)	-	569,653

Purposes of restricted funds

Contributed Income, Research & Publication Fund

This is a fund from a series of requested donations for the purpose of the IBE's Research and Publication work. It allowed the IBE to create more resources and freely disseminate them more widely. The trustees have agreed that monies outstanding at the end of 2024 can be transferred back into the general fund.

Ethics @ Work 2021 & 2024 funds

This is a fund from a series of requested donations from major supporters to sponsor the research, collation of data and publication which is done every three years. These funds cover the costs of the outsourced research and publications. The surveys are conducted in a set amount of countries (usually determined by the organisation used to survey and their reach) and focused on the ethical behaviour of staff in larger companies (overall in excess of more than 10,000 employees). The trustees have agreed that unused money remaining in the 2021 E@W fund can be transferred over to the 2024 E@W fund at the end of 2024.

The Law Project

The Law Project is the establishment of a Taskforce on Business Ethics and the Legal Profession, to examine the role of lawyers and law firms in relation to kleptocracy and grand corruption. This is in line with the IBE's mission, and the formal funding relationship is between the Joffe Trust and the IBE. The project commenced in July 2023, will run for 18 months and will formally cease on the publication of the final report in mid 2025.

The Law Project employed one part-time member for an 18 -month period to December 2024. This cost for 2024, along with other direct costs (the purchase of a computer and sundry expenses) has been earmarked under the expenses section.

15 Movements in funds (continued)

The project needed input from senior members of staff to check the research, check the converted data, findings and information and prepare the final report. 4 senior members of staff had been involved in this part of the project and their salaried costs (salary, NI and pensions) have been calculated and apportioned pro-rata to their involvement in the project. The transfer of this amount is from the general fund.

Purposes of designated funds

Professionals against Corruption

A group of professional services firms have reached an agreement with the IBE, to work together on an anti-corruption and anti-money laundering agenda. The funds will be drawn down to facilitate research and projects connected to this agenda.



The Institute of Business Ethics (IBE) is a non-profit dedicated to championing the highest standards of ethical behaviour in business.

Established nearly 40 years ago, we develop insights and best practice on ethical leadership, ethical culture and values-based decision-making:

- Networking and collaboration to develop leaders in ethics
- Tailored webinars + events
- Insights + research into the latest trends and best practice
- Training + leadership development
- Advisory services

Please get in touch via info@ibe.org.uk

INSTITUTE OF BUSINESS ETHICS

England & Wales - Charity number 1180741

Accounts



Institute of
Business Ethics

Registered Charity Number: 1180741 and Company Number 11594672

**ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR
THE YEAR ENDED 31 December 2023**

About the Institute of Business Ethics

The Institute of Business Ethics (IBE) is a company limited by guarantee; it does not have share capital and is a registered charity, established in 1986. It is a not-for-profit organisation funded primarily by corporate, and individual supporters.

The directors, who are IBE Trustees and constitute the members of the Charity, present the Directors' and Trustees' Report and the audited financial Statements for the year ended 31 December 2023.

The Board of Trustees is, for company law purposes, also the Board of Directors and has ultimate responsibility for the Charity's activities. It exercises its powers through the Director.

The charitable aim of the IBE is to "to advance public education in business ethics", through leading the dissemination of knowledge and good practice.

To this end, the Institute assists organisations in building and strengthening their ethical culture, engaging with organisations in a wide variety of sectors, to discuss important ethical issues, and use their practical experience and knowledge to better establish and disseminate improved standards and best practice.

IBE Purpose:

To champion the highest standards of ethical behaviour in business

Public Benefit

The Board of Trustees has due regard of the Charities Act 2011 and the Charity Commission guidance on public benefit, in particular the requirement that public benefit can no longer be presumed but must be demonstrated, with specific attention to ensuring our services benefit society to advance and champion the highest standards of ethical behavior. This aligns with our stated charitable aims and objectives.

The IBE continues to operate as a not-for-profit organisation, ensuring that the funds we receive from our Supporters are put to best use through education, thought leadership and debate about business ethics.

We are substantially dependent on our Supporters for our income and for the public benefit of our work and are enormously grateful for their continued support.

Strategy

In 2020 the IBE's Board of Trustees approved a 5-year strategic plan which sets the tone and foundations for a new strategy, establishing a base for future growth. The strategy redefined our objectives, setting new targets, reinvigorating our message, and developing our programme to meet the new challenges ahead.

The strategic objectives are:

- Build our profile and enhance our 'go to' brand.
- Engage more supporters, diversify our supporter base, and augment our services.
- Expand our training and the scope of our webinars.
- Initiate new thought-leadership and seek to engage our supporters more effectively to expand our research and knowledge base.
- More effectively market our range of services and products to both supporters and non-supporters.

REPORT OF THE TRUSTEES

Message from the Chair

It's not rocket science! Businesses that behave ethically: that treat their employees, customers, suppliers, competitors and society fairly, build trust with these various stakeholders. Employees are more likely to be engaged and "to go the extra mile". Customers will give the business "the benefit of the doubt" and more leeway to put things right, if things do initially go wrong. Suppliers will be more flexible and helpful when the business faces an emergency, because they know that the business will reciprocate if they get into difficulties. Competitors will be more willing to collaborate on areas where there is no competitive advantage to operating unilaterally and where it makes sense, for example on sustainability initiatives or working with regulators on smarter enforcement of regulation. And there will be more in the business's "goodwill bank" with society, when things go awry.

As a much used IBE graphic indicates "building an ethical culture is the foundation of a sustainable organisation. Doing business ethically makes for better business".



The IBE has nearly 40 years of hands-on experience, working with companies, large and small, to advise on "what works" in building, developing and maintaining an ethical culture. At the heart of our knowledge and experience is the IBE business ethics framework. I often say – only half-jokingly – this is 40 years work distilled onto one side of A4! During 2023, we updated this framework to give due emphasis to the links on rewards and recognition: i.e., that companies need regularly to check that how they reward and who they single out for recognition, corresponds to what people have achieved and how they have achieved their results.



The other important update to the Framework is emphasising board oversight and governance: tone from the top. The responsibility that boards will have for ensuring the organisation has an ethical culture.

We elaborated on this with guidance for non-executive directors and boards generally on the questions that would help them to achieve this. The process of developing this board guidance very much reflects an inclusive approach that IBE wants to inculcate. The staff team did an initial draft based on desk research and our existing IBE knowledge hub.

Then, we assembled an advisory group made up of FTSE board members and chairs and governance experts. They distilled the draft to two pages of A4 (“if you want busy board members to read this, no more than two pages of A4 please!”). This revised draft was then the subject of a three month consultation with supporter companies and friends of the IBE, regulators and governance experts. Feedback to the consultation informed the final draft signed off by the advisory panel.

If your board has not yet discussed the IBE guidance, (did I mention it was just two sides of A4!) please ask your Company Secretary to table it for the next board meeting – and as a substantive item for discussion. The UK Corporate Governance Code does emphasise the responsibility of boards for ensuring the desired culture of their organisation is the reality. We were, therefore, delighted to see the IBE’s board guidance referenced in the FRC’s guidance to the revised Corporate Governance Code published in January 2024. Having recently joined a commercial board myself, I do understand the time pressures on board agendas; but I also understand it is a false economy for boards to “take as read” that everything is indeed “hunky-dory” with their organisational culture.

Back to the IBE Business Ethics Framework. Not only is it the basis for all of our IBE training programmes and advisory services, but it also informs our IBE strategy and annual work programme. Additionally, it is now the basis for a new benchmarking service that the IBE launched in 2023. Again, if your business has yet to complete the benchmarking questionnaire, (it takes around 20 minutes to complete) please do so! The more businesses in the database, the more valuable the benchmarking becomes. Think of the 20 minutes it takes to complete the benchmarking questionnaire as an investment in your organisation’s continuous improvement (all companies that complete the benchmarking questionnaire will receive the results of the benchmark) and as a contribution in kind to the work of the IBE. The bigger the benchmarking database, the more it helps the charity to be effective in our triple A roles as Authority, Advocate and Advisor.

Our supporters are the IBE. Thank you to all our supporters and thank you on behalf of the entire board to our hard working staff team. And my own personal thanks to fellow trustees and members of our Advisory Council. Some trustees have retired by rotation during the year: Cris Cortes, Loren Shuster and Yetunde Hofmann. We have been pleased to welcome several new trustees: Biran Misra, Fabiola Williams, Mark Dawson, Meriem Smida, Sarah Mason and Siwan Kalatzi.

Particular thanks to Mike Tuffrey who has stepped down as honorary treasurer but who remains a valued member of the board; and a warm welcome to our new treasurer, Sarah Mason.

We also send heartfelt thanks to retiring members of the Advisory Council during 2023: Sir Tim Melville-Ross, Sir Robert Worcester, Ian Barlow, Sir Kevin Tebbit, Peter Harper and Rachel Lomax and welcome in our new President Simon Thompson and Vice President Jasmine Whitbread; and new members of the Council: Paul Wilden, Amanda Mackenzie, Andrew Hill, Jonathan Evans (Lord Evans of Weardale), Marsha Ramroop.

During 2024, we will be saying thank you to our Director Dr Ian Peters who will be retiring from the IBE and we will be welcoming in our first CEO. More on this in due course. In the meantime it is “full steam ahead”.

David Grayson
July 2024

Activities of the Institute of Business Ethics

The Board of Trustees present their report and the audited financial statements for the year ended 31 December 2023.

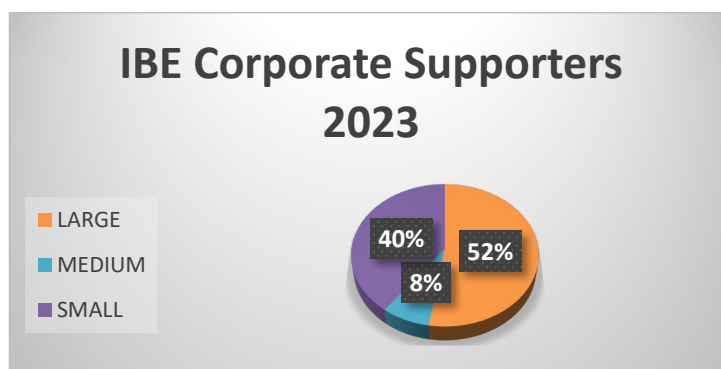
The IBE provides specialist advisory and training services, and delivers an extensive programme of research, surveys, and publications to inform business and the public in relation to business ethics. Much information is made freely available through our website, but it is our Supporters that have the most influence on the IBE's priorities and work programmes and, most importantly, they enjoy the significant advantages that come from participation in our unique supporter networks.

Engagement with our supporters

The IBE's work is funded by corporate and individual supporters. Through their donations, the Institute is able to realise its purpose.

Our supporters join a community of individuals and organisations committed to promoting the highest standards of business conduct based on ethical values. Our work is informed and shaped by engagement with our supporters and the insight this provides us. Our ongoing programme of engagement meetings has proved successful and informative for both the IBE and its supporters and has led to further interest and commissioned work.

It is important to our mission that we achieve a broad focus. To achieve this, we seek to engage with those at board and senior leadership level, as well as with the organisations' ethics and compliance practitioners, thereby increasing our effectiveness in creating a positive influence throughout the corporate world.



Through our Supporter-only networks, roundtables, and workshops:

- we connect businesses and ethics professionals working in similar fields and facing similar challenges, for industry and issue-specific confidential networking events, to identify emerging trends and share best practices,
- we provide a neutral, safe space to allow Chatham House Rule dialogue with industry peers and experts on the ethical dilemmas that businesses face.

Supporters' Forum

Our annual Supporters' Forum is an opportunity for IBE supporters to meet and hear about the IBE's work and provide input to our plans for the forthcoming year. This annual meeting is key to helping the IBE ensure that it is responsive to the latest developments in business ethics and thereby meeting the needs of our Supporters.

Business Ethics Network

Key to engagement with our supporters is our Business Ethics Network (BEN). It provides a confidential forum for the sharing of both good practice and any challenges faced in implementing an effective ethics programme. BEN members also contribute significantly to

the IBE's work programme by informing and influencing our priorities for future discussions and research. BEN meetings take place on a monthly basis.

Ethics Leaders Roundtables

Since its inception in 2021, the Ethics Leaders Roundtable meetings have had significant impact on the work of the IBE. Specific to the leaders of ethics functions to exchange views on the latest developments with a strategic focus, these small group discussions facilitate a greater depth of exchange.

Sector Groups

In order to address concerns relevant to specific areas of business, we host a number of sector groups, such as the Defence Practitioners (DPG), and the Utilities Sector (USG). These groups are for those responsible for ethics within their organisation to meet and explore specific ethical challenges in their sector, with the IBE providing research and producing briefings for discussion.

Two further groups comprise the **Bank Culture Chairs Group** (BCCG) being the Non-Executive Chairs of the committees looking at ethics and culture of six leading UK banks; and **Professionals against Corruption** (PaC), a group of professional services firms from the legal, accountancy and real estate sectors, committed to work together on the anti-money laundering and anti-corruption agenda.

The IBE provides the independent chair and secretariat for BCCG, and the secretariat and advisory services to support PaC.

Advisory Services and Training

As an independent not-for-profit organisation, our unique and pragmatic perspective allows us to work with organisations as a critical friend. Our advisory services are a means of ensuring we remain both current in our understanding of the shifts in the nature of ethical challenges in fast-evolving workplaces, and as a means of sharing expertise and good practice with others.

In addition, advisory work is an important means of diversifying our income sources. Assignments undertaken during 2023 included work with a multinational information technology company, a major UK financial institution and a multinational accounting organisation.

Training

The IBE has a long tradition and a strong belief in training. In 2023, we moved our Introduction to Business Ethics and Developing an ethics programme course to being free and on-demand for all our supporters. We also provide workshops and corporate in-house training, offering bespoke training sessions to all levels of staff, from boards and senior management to operational personnel.

All our various training services provide both online and face-to-face options as required..

Products

We provide a range of practical and easy to use toolkits which can be customised to the needs of the individual organisation. These include:

Say No Toolkit

A web-based product and app decision-making tool, designed to help organisations support their employees to make the right decision when faced with difficult situations such as whether to accept a gift or hospitality, a facilitation payment, or when faced with a conflict of interest. To maintain its relevance, work began in 2023 to review and update this product.

Speak Up Toolkit

This app helps employees prepare themselves to raise a concern at work. It answers questions about the entire process – from noticing a problem and having a

conversation through to what to expect if you call a Speak Up helpline or if your concern is investigated.

Business Ethics Toolkit

This toolkit provides a guide for business owners, chief executives or managers seeking to make their ethical values explicit, and to protect their business against ethical lapses. It suggests a simple, affordable approach to design an ethics framework, and it is intended to be particularly useful to small and medium sized businesses, start-ups, and growth companies.

Research & Thought leadership

Our research provides the foundation for our thought-leadership and our advisory services. We focus on topics with practical application and seek to support business through the promotion of the latest solutions and ideas. All our work is published on our website, and in 2023 included: Attitudes of the British Public to Business Ethics, Measuring Ethical Culture, Decision Making Toolkits in FTSE100 Codes, FTSE 350 Codes of Ethics and The Ethics of A.I.

A key project during 2023 was the development and publication of our **Guidance for Boards on Developing an Ethical Culture**. Led by an advisory group of non-executives and other specialists and chaired by Simon Thompson, this two-page note has been well received and referenced in the FRC's revised Corporate Governance Code Guidance. It will be a cornerstone of our work to promote ethical culture in organisations.

Website

Work has continued to ensure our site is user-friendly and easy to navigate. We have continued to feature **weekly blogs** where IBE staff, trustees, supporters and invited guests contribute to topical ethical debates. These blogs engender comment and debate on ethical culture and reviews of ethics-related books. In 2023 we began work on an upgrade to the website which will be completed in 2024.

Events

IBE events are typically provided free of charge. Most discussions and publication launches are open to the public and are advertised on our website. Alongside these, the IBE runs a series of private discussions and workshops available to corporate supporters only.

Many of our events were online, with recordings of our webinars made available as a free resource on our website and via YouTube to further the Institute's public and geographic outreach.

During 2023 we hosted:

- 11 public webinars with more than 500 attendees.
- European Business Ethics Forum (in Amsterdam jointly with French and US partners) with 78 paid registrants
- Our Annual Lecture (speaker: Claire Ighodaro CBE), Summer event and Supporter Forum to allow us to network and interact with supporters and other interested parties.

Business Ethics in Education

A core part of IBE's mission is the education of the next generation of business leaders in business schools and universities, sensitising them to the importance of ethical business practice and ethical issues. In 2023 we launched a new initiative: **The Future Leaders Forum**. Through this network we will engage with young people (up to age 30-35) to discuss and better understand their views on business ethics and what they want to see change to promote ethical behaviour in organisations.

Advocacy

The IBE provides advice to policy makers in government, supports corporate governance consultations and reviews, and is an advocate for ethical business practice.

The Trustees, Directors and staff make presentations and speak at conferences nationally and internationally advocating good business practice and offer the media and others an informed opinion and advice on current issues and good practice.

In particular, we engaged with the following:

- FRC – Member of the Stakeholder Insight Group and review of the Wates Principles for Private Companies, and contributed to the review of the UK Corporate Governance Code
- Chartered Governance Institute to chair a review of their Guidance on Board Evaluation
- Committee on Standards in Public Life, following publication of the CSPL report
- CBI's Culture Advisory Committee to advise and challenge CBI on addressing cultural issues
- IoD Commission to create a code of conduct for directors
- CISI – Member of the Integrity Committee

We once again participated in the 3 day Anthropy event at the Eden Project which included an IBE session on Ethical Dilemmas.

Structure, Governance and Management

The Institute of Business Ethics is an incorporated charity, re-registered with the Charity Commission on 1 April 2019, as a Company limited by Guarantee. It is governed by a Memorandum and Articles, dated September 2018.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the financial statements and comply with the charity's Articles, applicable law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Board of Trustees

The Board of Trustees are responsible for the overall strategic direction of the Institute, ensuring that the IBE abides by its charitable aim, works within the law, and delivers its mission effectively. The Trustees are led by the Chair of the board.

Trustees serve a maximum of three three-year terms and attend quarterly meetings.

Trustee vacancies are advertised when there is a particular skills gap and when a term of office comes to an end within the overall membership of the Board of Trustees. Applicants are interviewed by the Nominations Committee, and appointments are ratified by the whole Trustee body. Trustee induction is held at the start of the term and training is provided, as and when identified by the Chair and/or other trustees. All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 5 to the accounts.

Decision-making

The Trustees reserve the following decisions to themselves:

- Setting the strategy for the Charity.
- Approval of capital expenditure items of £10,000 or more
- Approval of the annual operating plan and budget, including the staff plan
- Approval of annual remuneration of staff and any termination or redundancy packages
- Approval of contracts and policies not in the ordinary course of affairs
- All Director level appointments
- Approval of the IBE's code of ethics
- Appointments of Trustees and Advisory Council members
- Approval of the Annual Report and Accounts
- Approval of reserves and investment policies
- Appointment of the Auditor

The Trustees delegate the following decisions to the Director:

- Hiring of staff within the staff plan
- Capital expenditure up to £5,000 with reference to the Chair and Treasurer on sums between £5,000 and £10,000
- Day-to-day operational decisions in relation to the delivery of the budget and strategic plan.

Advisory Council

The Advisory Council members, who include the President and the Vice Presidents, provide the IBE with advice and guidance on its work programme, thought leadership and strategy. They are invited to attend bi-annual meetings and receive copies of the Director's reports and the IBE's events programmes and publications. In addition, The President and the Vice Presidents receive copies of the Trustees' meeting minutes. The Advisory Council does not form part of the Institute's formal governance structure.

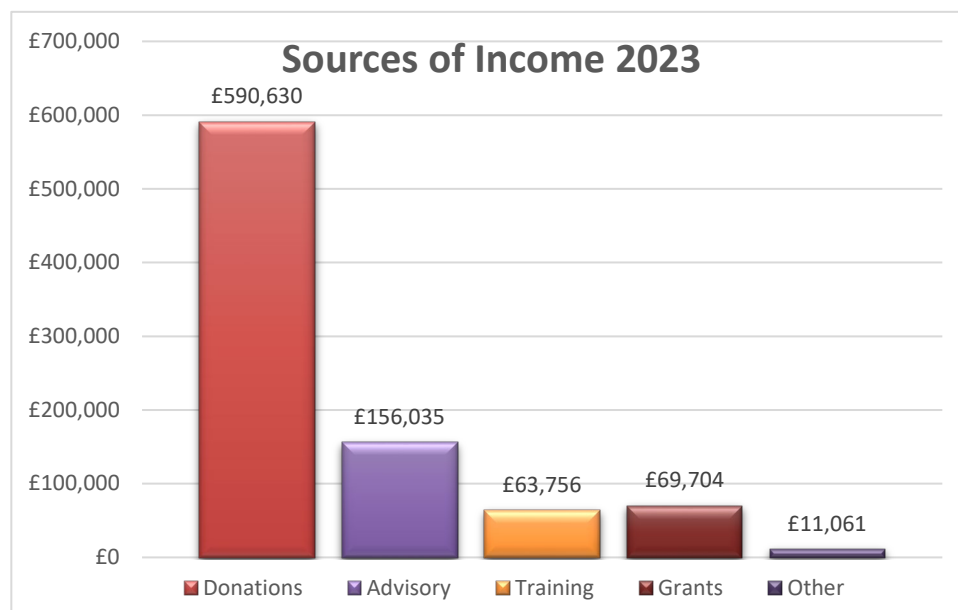
In 2023, we restructured the Advisory Council which included appointing a new President and a Vice-President and a change of membership, welcoming seven new members to replace a number of stalwarts who retired with our grateful thanks.

Funding

The IBE receives financial support from corporate supporters, individuals, and associations. The Institute also generates income from the provision of advisory services, corporate training courses, project funding, and products and events, as well as from public training courses and the sale of publications to non-supporters.

Sources of income

Through their donations, IBE supporters help to promote ethical business practice. They are encouraged to engage with us via events, publications, advice, and other services that the IBE provides. Diversification of cash funds and investments is regularly reviewed in order to reduce exposure of financial risk to any single institution.



Reserves & going concern

The income of the Institute of Business Ethics depends mainly on donations from companies, which can fluctuate from year to year. Any reduction in these can have a considerable impact on income. In addition, the Institute initiates and incurs costs for projects that may or may not generate equivalent revenue.

The Trustees regularly review the organisation's reserves policy and following board approval, the current policy has been put in place based on the following principles:

- Provide adequate working capital to cover the usual cash flow variability.
- To cover unforeseen financial difficulties allowing time for the Board and management to take remedial action, should income unexpectedly fall off or unplanned expenditure be incurred.

These two provide our normal operational reserves.

- When we receive income subject to specific stipulations which is unspent at the end of the financial year, the balance will be carried forward as restricted reserves, signaling they are not available for general purposes.
- We may also wish to hold additional 'earmarked' reserves – designated funds within our unrestricted reserves – so as to be able to make strategic investments in future.

A review shows that to cover routine operations together with salaries for a 3-month period, based on 2023 numbers, this equates to £163,867.

Based on these calculations, the Board confirmed that for 2023 we should continue to hold a minimum of £300,000 in reserves, to ensure that not only would this cover routine operations, but would also ensure cover for any further expenditure needed outside the norm. The IBE met this policy during the reporting period and continues to do so. However, the Board and management continue to monitor closely the level of reserves alongside income and expenditure.

As of 31 December 2023, total reserves were £569,653 of which unrestricted free reserves were £530,252. Note 15a of the accompanying accounts explains our future plans to disburse the restricted and designated funds held in reserve.

In reviewing our business and financial plans for the coming year, the trustees took account of possible outcomes should our supporter renewal rates decline, and the flexibility we have within our cost budget to offset any income shortfall.

In July 2023 trustees discussed the specific areas around our viability as a going concern, considering the Future Funding paper, and any anticipated risk to our operations. The trustees believe the charity will have sufficient resources to meet its liabilities as they fall due. As such, they remain satisfied that the charity can continue operating for the foreseeable future and these accounts have been prepared on a going concern basis.

Investment policy

Investments are stated at market value. The Trustees consider social, ethical, and environmental considerations when deciding where the Institute's funds are invested.

Remuneration policy

IBE is committed to ensuring that we pay our staff fairly, and in a way that ensures we attract and retain the right skills to have the greatest impact in delivering our charitable objectives.

Following recommendations from the Remuneration Committee (established in 2020), the Board of Trustees approve the annual percentage increase in the payroll for all staff in November, for the following salary year beginning in January, considering CPI as of 30 September of the current year and the latest figures for inflation and average earnings growth. This also includes any non-consolidated pay awards and staff salary increases outside of the annual review process as recommended from time to time by the Director.

The appropriateness and relevance of the remuneration policy is reviewed annually by the Director, who is entrusted to ensure that the review includes reference to comparisons with other relevant organisations, ensuring IBE remains sensitive to the broader issues e.g., pay and employment conditions, meets all national pay standards, and provides all paid staff with a living wage. Salaries are benchmarked against similar roles within like-minded charities, the Charity Salary Survey, and other comparable roles.

The Director reviews all staff pay levels annually, and new proposals are put to the Remuneration Committee and subsequently to the Board of Trustees for review and approval. The Director is in attendance for the meeting but leaves for any discussion regarding their own remuneration.

Pension policy

The IBE has adhered to the Auto-Enrolment Scheme, all employees are automatically enrolled in the company pension scheme and new employees will be automatically enrolled in the National Employment Savings Trust (NEST) in accordance with the company's obligations under the Pensions Act 2008.

Risk management

The IBE maintains an ongoing commitment to manage risks. The risk register forms part of the board pack, and the Director and executive team monitor the 8 identified areas of risk (see below) and any newly identified risks on a regular basis, with any changes reported to the board at each

meeting.

<u>Governance</u>	Failure to govern the institute in accordance with its objectives and external regulatory requirements
<u>People</u>	Failure to ensure right skills and resources to deliver objectives
<u>Relevance</u>	Failure to maintain relevance to business leading to loss of support and income
<u>Profile</u>	Failure to maintain profile and promote the IBE
<u>Finance</u>	Failure to maintain effective financial controls leads to financial loss
<u>Compliance</u>	Failure to comply with all legal and regulatory obligations
<u>IT</u>	Failure to maintain / upgrade IT systems and security
<u>External</u>	Failure to anticipate crisis

IBE Code of Ethics

The IBE has a Code of Ethics for all staff and Trustees, which is published on the website. It was reviewed and updated in 2021, next review scheduled for 2024.

Our values are to be:

Respectful – we respect the diversity of thought and perspectives offered by others. We are inclusive and treat others as they would want to be treated (consistent with ethical values).

Collaborative – we work as one team, empowering and supporting each other to achieve high quality results.

Trustworthy – we act with integrity, building strong relationships based on openness and honesty.

Courageous – we stand up for what’s right, take managed risks and learn from experience when things go wrong.

Entrepreneurial – we are dynamic and innovative, seeking to achieve high performance, impact and growth to further the IBE’s purpose.

Customer Focused – we treat our customers as partners and look to create powerful relationships based on professionalism, relevance, and subject-matter expertise.

In order to mitigate reputation risk and avoid potential conflicts of interest, the Trustees have a Register of Interests of Trustees for internal use. This is completed by new Trustees on appointment and reviewed annually.

Annual review of board effectiveness

The Chairman conducts 1:1 interviews with each trustee at the end of the year, collated feedback and a paper is presented to the first board meeting of the following year.

Statement of Trustees' Responsibilities

The board of trustees, who are also directors of Institute of Business Ethics for the purposes of company law, are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these 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
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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 auditor is unaware.
- 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 auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 2023 Year End was 16, as trustees are still guarantors for one year after resigning. The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity. The trustees who served during the year, and their pattern of attendance at board meetings, are shown in the table below.

Trustee	08-Mar	07-Jun	05-Jul	06-Sep	06-Dec
David Grayson(Chair)	✓	✓	✓	✓	✓
Mike Tuffrey(Treasurer)	✓	✓	✓	✓	✓
Loree Gourley (Vice-Chair)	✓	✓	✓	✓	✓
Ian Dyson	✓	✓	x	✓	✓
Cristina Cortes	✓	x	✓	Resigned	
Loren Shuster	✓	✓	✓	✓	Resigned
Yetunde Hofmann	X	Resigned			
Tim Langton	✓	✓	✓	✓	x
Louise Terry	✓	✓	✓	✓	✓
Jason Engelbrecht	X	✓	✓	X	✓
Sarah Mason		✓	✓	✓	✓
Biren Misra		✓	✓	X	✓
Fabiola Williams		✓	x	X	X
Mark Dawson		✓	✓	x	X
Meriem Smida		✓	✓	✓	✓
Siwan Kalatzi		✓	✓	✓	✓

Trustees:

- ❖ David Grayson, CBE – Chair
- ❖ Mike Tuffrey – Treasurer until September 2023
- ❖ Cristina Cortes – Retired July 2023
- ❖ Ian Dyson QPM
- ❖ Jason Engelbrecht
- ❖ Loree Gourley – Vice Chair
- ❖ Yetunde Hofmann – Retired March 2023
- ❖ Tim Langton
- ❖ Loren Shuster – Retired December 2023
- ❖ Louise Terry
- ❖ Sarah Mason – Joined July 2023 Treasurer from September 2023
- ❖ Biren Misra – Joined July 2023
- ❖ Fabiola Williams – Joined July 2023
- ❖ Mark Dawson – Joined July 2023
- ❖ Meriem Smida – Joined July 2023
- ❖ Siwan Kalatzi – Joined July 2023

Advisory Council:

- ❖ Sir Tim Melville-Ross KBE – President Retired July 2023
- ❖ Ian Barlow – Vice President- Retired October 2023
- ❖ Ram Gidoomal CBE – Vice President
- ❖ Simon Thompson – Vice President until December 2023 when appointed President
- ❖ Sir Robert Worcester KBE DL – Honorary Vice President- Retired October 2023
- ❖ Iain Anderson
- ❖ Sir Brendan Barber
- ❖ Sir Douglas Flint CBE
- ❖ Annabel Gillard
- ❖ Dr Peter Harper – Retired October 2023
- ❖ David Jackson
- ❖ Rachel Lomax – Retired October 2023
- ❖ John Williams

- ❖ Sir Mark Moody Stuart
- ❖ Chris Moorhouse
- ❖ Ruth Rawling
- ❖ Barbara Ridpath
- ❖ Robert Smith
- ❖ Professor Laura Spence
- ❖ Sir Kevin Tebbit KCB CMG – Retired October 2023
- ❖ Amanda Mackenzie LVO OBE– Joined August 2023
- ❖ Marsha Ramroop – Joined July 2023
- ❖ Paul Wilden – Joined July 2023

Auditors

Sayer Vincent were re-appointed as the charity's auditors during the year and have expressed their willingness to act in that capacity.

The accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime. The trustees' annual report has been approved by the trustees on 3 July 2024 and signed on their behalf by

David Grayson, CBE
Chair of Trustees

Independent auditor's report

To the members of

Institute of Business Ethics

Opinion

We have audited the financial statements of Institute of Business Ethics (the 'charitable company') for the year ended 31 December 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Institute of Business Ethics' 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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

Independent auditor's report

To the members of

Institute of Business Ethics

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 trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which 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 directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

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

Independent auditor's report

To the members of

Institute of Business Ethics

Auditor's 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud.
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Independent auditor's report

To the members of

Institute of Business Ethics

- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Joanna Pittman (Senior statutory auditor)
18 July 2024
for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

Statement of financial activities (incorporating income and expenditure account)

For the year ended 31 December 2023

	Note	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Income from:							
Donations and legacies	2	590,630	-	590,630	558,568	-	558,568
Charitable activities							
Advisory services		156,035	-	156,035	173,063	-	173,063
Training & Events		63,756	-	63,756	89,347	-	89,347
Marketing, Comms & Publs		1,050	-	1,050	1,260	-	1,260
Other charitable income	2a	56,454	13,250	69,704	-	-	-
Other		10,011	-	10,011	6,507	-	6,507
Total income		877,936	13,250	891,186	828,745	-	828,745
Expenditure on:							
Raising funds	3a	111,381	-	111,381	84,272	-	84,272
Charitable activities							
Advisory services	3a	195,661	-	195,661	161,698	-	161,698
Research	3a	64,220	7,163	71,384	80,393	-	80,393
Training & Events	3a	139,244	-	139,244	96,953	-	96,953
Marketing, Comms & Publs	3a	230,058	-	230,058	189,309	1,009	190,318
Supporter Engagement	3a	62,345	-	62,345	107,842	-	107,842
Total expenditure		802,909	7,163	810,073	720,467	1,009	721,476
Net income / (expenditure) before net gains on investments		75,027	6,087	81,113	108,278	(1,009)	107,269
Net gains on investments	10	864	-	864	(3,149)	-	(3,149)
Net income / (expenditure)		75,891	6,087	81,977	105,129	(1,009)	104,120
Transfers between funds	15a	-	-	-	-	-	-
Net income / (expenditure) before other recognised gains and losses	4	75,891	6,087	81,977	105,129	(1,009)	104,120
Gains / (losses) on foreign exchange		(1,367)	-	(1,367)	926	-	926
Net movement in funds		74,524	6,087	80,610	106,055	(1,009)	105,046
Reconciliation of funds:							
Total funds brought forward		479,976	9,067	489,043	373,921	10,076	383,997
Total funds carried forward		554,500	15,154	569,653	479,976	9,067	489,043

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. All movements in funds are disclosed above.

Balance sheet

Company number 11594672

As at 31 December 2023

	Note	£	2023 £	£	2022 £
Fixed assets:					
Tangible assets	9		8,757		7,810
Intangible assets	9		455		13,267
Investments	10		27,386		26,522
			36,598		47,599
Current assets:					
Debtors	11	32,448		13,135	
Cash at bank and in hand		739,144		599,547	
		771,592		612,682	
Liabilities:					
Creditors: amounts falling due within one year	12	238,537		171,238	
Net current assets			533,055		441,444
Total net assets			569,653		489,043
The funds of the charity:					
Unrestricted income funds:					
Designated funds	15a	19,461		26,473	
General funds		535,038		453,503	
Total unrestricted funds			554,499		479,976
Restricted funds	15a		15,154		9,067
Total charity funds			569,653		489,043

Approved by the trustees on 3 July 2024 and signed on their behalf by

David Grayson, CBE
Chair

Statement of cash flows

For the year ended 31 December 2023

	2023		2022	
	£	£	£	£
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	81,977		104,120	
Loss on investments	(864)		3,149	
Depreciation and amortisation	16,716		14,890	
Decrease / (Increase) in debtors	(19,313)		25,520	
(Decrease) / Increase in creditors	67,299		(29,610)	
	<u> </u>		<u> </u>	
Net cash used in operating activities		145,815		118,069
Cash flows from investing activities:				
Purchase of fixed assets	(4,851)		(6,799)	
	<u> </u>		<u> </u>	
Net cash used in investing activities		(4,851)		(6,799)
		<u> </u>		<u> </u>
Change in cash and cash equivalents in the period		140,964		111,270
Cash and cash equivalents on transfer of funds / start of period		599,547		487,351
Change in cash and cash equivalents due to foreign exchange		(1,367)		926
		<u> </u>		<u> </u>
Cash and cash equivalents at the end of the period		<u>739,144</u>		<u>599,547</u>
 Analysis of cash and cash equivalents				
	At 1 January		Other	At 31
	2023	Cash flows	changes	December
	£	£	£	2023
				£
Cash in hand	599,547	140,964	(1,367)	739,144
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total cash and cash equivalents	<u>599,547</u>	<u>140,964</u>	<u>(1,367)</u>	<u>739,144</u>

1 Accounting policies

a) Statutory information

Institute of Business Ethics is a charitable company limited by guarantee and is incorporated in England and Wales on 28 September 2018.

The registered office address and principal place of business is 71-75 Shelton Street, London, WC2H 9TQ.

b) Basis of preparation

The financial statements have been prepared in accordance with 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) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Expenditure and irrecoverable VAT

In 2022, a new structure for allocating costs was adopted, with more focus on identifying activities undertaken by the charity:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering advisory services, undertaking research and providing training courses and events on ethical matters. Charitable activities also include outreach to supporters and users via engagement, publications and meetings
- The Admin & IT and other costs represents those items not falling into any other heading

Irrecoverable VAT for 2023 is included in the accounts as overheads and charged back to the accounts in the same proportion as overheads.

i) Allocation of support and governance costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

	Staff costs	Office support
<input type="checkbox"/> Cost of raising funds	12%	16%
<input type="checkbox"/> Advisory Services	19%	26%
<input type="checkbox"/> Research	8%	11%
<input type="checkbox"/> Training & Events	11%	15%
<input type="checkbox"/> Marketing, Webs & Publications	17%	23%
<input type="checkbox"/> Supporter engagement	7%	9%
<input type="checkbox"/> Admin, IT and other support costs	26%	

j) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

k) Operating leases

The rental lease ended on 31 July 2022, and IBE staff now work remotely. There are no active operating leases.

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Full details are given in the financial instruments note.

p) Pensions

The charity operates a defined contribution scheme, whereby it will put in a contribution of 5% of an employee's gross salary. Pension contributions are paid monthly in arrears. There is no obligation for any employee to join the scheme and the charity has no further obligations once payments have been made.

q) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500 excluding VAT. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rate in use is 4 years.

r) Intangible assets

The new IBE website, developed in 2020 went live on 13 January 2021. All installation and development costs have been classed as intangible assets. Website support & update costs, website hosting and domain name costs are considered to be normal running costs and will be expensed in the period they are incurred.

Amortization is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The amortization rate in use is 4 years.

2 Income from donations and legacies

	2023	2022
	Total	Total
	£	£
Corporate subscriptions	586,423	556,518
Individual subscriptions	4,207	2,050
	590,630	558,568

2a Breakdown of other charitable income category

	Unrestricted	Restricted	2023	2022
	£	£	Total	Total
			£	£
The Law Project - restricted fund		13,250	13,250	
Say No toolkit	16,705		16,705	
Funds to translate IBE main publication	34,749		34,749	
Ethical risk project	5,000		5,000	
	56,454	13,250	69,704	-

Institute of Business Ethics

Notes to the financial statements

For the year ended 31 December 2023

3a Analysis of expenditure (current period)

	Charitable activities							2023 £
	Cost of raising funds	Advisory Services £	Research £	Training & Events £	Marketing, Comms & Publications £	Supporter Engagement & Recruitment £	Admin, IT, Governance, Support costs £	
Staff costs (Note 5)	79,025	144,431	34,584	54,913	107,107	42,375	137,660	600,095
Other staff costs	-	-	-	-	-	-	-	-
Direct expense	-	-	14,566	5,573	77,112	-	-	97,251
Events - EBEF	-	-	-	49,098	-	-	-	49,098
PaC expense	-	-	-	-	-	1,095	-	1,095
Ethics at Work 2021	-	-	-	-	-	-	-	-
Law Project direct expense	-	-	663	-	-	-	-	663
Office & IT support costs	4,895	7,750	3,263	4,487	6,934	2,855	10,606	40,790
Professional fees & insurance	2,529	4,005	1,686	2,319	3,584	1,476	5,481	21,080
	86,449	156,186	54,763	116,390	194,737	47,801	153,747	810,073
Admin, IT and office support	24,932	39,475	16,621	22,854	35,321	14,544	(153,747)	-
Total expenditure 2023	111,381	195,661	71,384	139,244	230,058	62,345	-	810,073

Institute of Business Ethics

Notes to the financial statements

For the year ended 31 December 2023

3b Analysis of expenditure (previous period)

	Charitable activities							2022 £
	Cost of raising funds	Advisory Services £	Research £	Training & Events £	Marketing, Comms & Publications £	Supporter Engagement & Recruitment £	Admin, IT, Governance, Support costs £	
Staff costs (Note 5)	50,074	100,733	44,011	35,572	73,933	61,828	148,473	514,624
Other staff costs	-	-	-	-	960	-	-	960
Direct expense	-	168	2,183	7,868	57,419	2,430	-	70,068
Events - EBEF	-	-	-	19,315	-	-	-	19,315
PaC expense	-	-	-	-	-	1,786	-	1,786
Ethics at Work 2021	-	-	-	-	1,009	-	-	1,009
Office & IT support costs	8,092	14,387	8,093	8,092	13,487	9,890	27,874	89,915
Professional fees & insurance	2,142	3,808	2,142	2,142	3,570	2,618	7,377	23,799
	60,308	119,096	56,429	72,989	150,378	78,552	183,724	721,476
Admin, IT and office support	23,964	42,602	23,964	23,964	39,940	29,290	(183,724)	-
Total expenditure 2022	84,272	161,698	80,393	96,953	190,318	107,842	-	721,476

4 Net income for the period

This is stated after charging / crediting:

	2023	2022
	£	£
Operating lease rentals:		
Property	-	25,715
Other	-	11,553
Auditor's remuneration (excluding VAT):		
Audit	8,500	7,200
Foreign exchange gains or (losses)	-	-
	8,500	7,200

5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023	2022
	£	£
Salaries and wages	526,068	449,723
Social security costs	50,879	47,450
Employer's contribution to defined contribution pension schemes	23,148	17,451
	600,095	514,624

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the accounting period between:

	2023	2022
	No.	No.
£60,000 - £69,998	1	-
£70,000 - £79,999	1	1
£100,000 - £109,999	-	1
£110,000 - £119,999	1	-

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £264,981 (2022: £237,131).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the period. No charity trustee received payment for professional or other services supplied to the charity.

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2022: £nil) incurred by 0 members (2022: 0) relating to attendance at meetings of the trustees.

6 Staff numbers

The average number of employees (head count based on number of staff employed) during the accounting period was as follows:

	2023	2022
	No.	No.
Raising funds	1.2	0.9
Advisory Services	2.1	1.6
Training & Events	1.1	0.9
Research	0.9	0.8
Marketing/Comms & Publs	1.8	1.5
Supporter Engagement	0.9	1.1
Admin, IT & support	2.7	3.0
	10.7	9.8

The average number of employees (full time equivalents) during the accounting period was as follows:

	2023	2022
	No.	No.
Raising funds	1.1	0.7
Advisory Services	1.9	1.3
Training & Events	1.0	0.7
Research	0.7	0.7
Marketing/Comms & Publs	1.6	1.3
Supporter Engagement	0.8	0.9
Admin, IT & support	2.5	2.7
	9.6	8.3

7 Related party transactions

There are no donations from related parties to disclose for 2023 (2022: none) which are outside the normal course of business and no restricted donations from related parties.

8 Taxation

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

9 Fixed assets	Computers £	Total £
Cost - fixed		
At the start of the period	14,920	14,920
Additions in the period	4,851	4,851
At the end of the period	<u>19,771</u>	<u>19,771</u>
Depreciation		
At the start of the period	7,110	7,110
Charge for the period	3,904	3,904
At the end of the period	<u>11,014</u>	<u>11,014</u>
Net book value		
At the end of the period	<u>8,757</u>	<u>8,757</u>
At the start of the period	<u>7,810</u>	<u>7,810</u>
Cost - intangibles	Website £	Total £
At the start of the period	51,248	51,248
At the end of the period	<u>51,248</u>	<u>51,248</u>
Depreciation		
At the start of the period	37,981	37,981
Charge for the period	12,812	12,812
At the end of the period	<u>50,793</u>	<u>50,793</u>
Net book value		
At the end of the period	<u>455</u>	<u>455</u>
At the start of the period	<u>13,267</u>	<u>13,267</u>

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31 December 2023

10 Listed investments measured through profit and loss	2023	2022
	£	£
Fair value at the start of the period	26,522	29,671
Net gain / (loss) on change in fair value	864	(3,149)
	27,386	26,522
Investments comprise:		
	2023	2022
	£	£
UK Common investment funds	27,386	26,522
	27,386	26,522
11 Debtors	2023	2022
	£	£
Trade debtors	26,558	6,616
Other debtors	90	161
Prepayments	5,800	6,296
Accrued income	-	62
	32,448	13,135
12 Creditors: amounts falling due within 12 months	2023	2022
	£	£
Sundry creditors	-	460
Taxation and social security	14,464	15,773
VAT	2,775	9,291
Accruals	27,778	29,411
Deferred income	193,520	116,303
	238,537	171,238
13 Deferred income		
Deferred income comprises fees, corporate or individual subscriptions that have been paid in advance.		
	2023	2022
	£	£
Balance at the beginning of the period	116,303	159,993
Amount released to income in the period	(116,303)	(159,993)
Amount deferred in the period	193,520	116,303
	193,520	116,303

14a Analysis of net assets between funds (current period)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible and intangible fixed assets	8,189	-	1,023	9,212
Net current assets	530,252	19,462	10,727	560,441
Net assets at 31 December 2023	538,441	19,462	11,750	569,653

14b Analysis of net assets between funds (prior period)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible and intangible fixed assets	21,077	-	-	21,077
Net current assets	432,426	26,473	9,067	467,966
Net assets at 31 December 2022	453,503	26,473	9,067	489,043

15a Movements in funds (current period)

	At 1 January 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2023 £
Restricted funds:					
Contributed Income, Research & Publication Fund	5,664	-	-	-	5,664
Ethics @ Work 2021	3,403	-	-	-	3,403
The Law Project		13,250	(7,163)	-	6,087
Total restricted funds	9,067	13,250	(7,163)	-	15,154
Unrestricted funds:					
Designated fund: Professionals against Corruption (PaC)	26,473	-	(1,095)	(5,917)	19,461
General funds	453,503	877,936	(802,318)	5,917	535,038
Total funds	489,043	891,186	(810,576)	-	569,653

The narrative to explain the purpose of each fund is given at the foot of the note below.

15b Movements in funds (prior period)

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2022 £
Restricted funds:					
Contributed Income, Research & Publication Fund	5,664	-	-	-	5,664
Ethics @ Work 2021	4,412	-	(1,009)	-	3,403
Total restricted funds	10,076	-	(1,009)	-	9,067
Unrestricted funds:					
Designated fund: Professionals against Corruption (PaC)	43,309	-	(1,786)	(15,050)	26,473
General funds	330,612	828,745	(720,904)	15,050	453,503
Total unrestricted funds	383,997	828,745	(723,699)	-	489,043

Purposes of restricted funds

Contributed Income, Research & Publication Fund

This is a fund from a series of requested donations for the purpose of the IBE's Research and Publication work. It allowed the IBE to create more resources and freely disseminate them more widely. The monies collected so far will be spent by the end of 2024.

Ethics @ Work 2021 fund

This is a fund from a series of requested donations from major supporters to sponsor the research, collation of data and publication which is done every three years. These funds cover the costs of the outsourced research and publications. The surveys are conducted in a set amount of countries (usually determined by the amount of funds received and the organisation used to survey and their reach) and focused on the ethical behaviour of staff in larger companies (overall in excess of more than 10,000 employees). Any remaining funds will be used to support the IBE's ongoing research and to further develop our thought leadership for IBE's supporters and the wider community.

The Law Project

The Law Project is the establishment of a Taskforce on Business Ethics and the Legal Profession, to examine the role of lawyers and law firms in relation to kleptocracy and grand corruption. This is in line with the IBE's mission, and the formal funding relationship is between the Joffe Trust and the IBE. The project commenced in July 2023 and will run for 18 months and will formally cease on the publication of the final report.

Purposes of designated funds

Professionals against Corruption

A group of professional services firms have reached an agreement with the IBE, to work together on an anti-corruption and anti-money laundering agenda. The transfer of funds for 2023 was to cover the costs of training sessions requested by PAC. Further funds will be drawn down to facilitate research and projects connected to this agenda.



Institute of
Business Ethics

Registered Charity Number: 1180741 and Company Number 11594672

**ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR
THE YEAR ENDED 31 December 2023**

About the Institute of Business Ethics

The Institute of Business Ethics (IBE) is a company limited by guarantee; it does not have share capital and is a registered charity, established in 1986. It is a not-for-profit organisation funded primarily by corporate, and individual supporters.

The directors, who are IBE Trustees and constitute the members of the Charity, present the Directors' and Trustees' Report and the audited financial Statements for the year ended 31 December 2023.

The Board of Trustees is, for company law purposes, also the Board of Directors and has ultimate responsibility for the Charity's activities. It exercises its powers through the Director.

The charitable aim of the IBE is to "to advance public education in business ethics", through leading the dissemination of knowledge and good practice.

To this end, the Institute assists organisations in building and strengthening their ethical culture, engaging with organisations in a wide variety of sectors, to discuss important ethical issues, and use their practical experience and knowledge to better establish and disseminate improved standards and best practice.

IBE Purpose:

To champion the highest standards of ethical behaviour in business

Public Benefit

The Board of Trustees has due regard of the Charities Act 2011 and the Charity Commission guidance on public benefit, in particular the requirement that public benefit can no longer be presumed but must be demonstrated, with specific attention to ensuring our services benefit society to advance and champion the highest standards of ethical behavior. This aligns with our stated charitable aims and objectives.

The IBE continues to operate as a not-for-profit organisation, ensuring that the funds we receive from our Supporters are put to best use through education, thought leadership and debate about business ethics.

We are substantially dependent on our Supporters for our income and for the public benefit of our work and are enormously grateful for their continued support.

Strategy

In 2020 the IBE's Board of Trustees approved a 5-year strategic plan which sets the tone and foundations for a new strategy, establishing a base for future growth. The strategy redefined our objectives, setting new targets, reinvigorating our message, and developing our programme to meet the new challenges ahead.

The strategic objectives are:

- Build our profile and enhance our 'go to' brand.
- Engage more supporters, diversify our supporter base, and augment our services.
- Expand our training and the scope of our webinars.
- Initiate new thought-leadership and seek to engage our supporters more effectively to expand our research and knowledge base.
- More effectively market our range of services and products to both supporters and non-supporters.

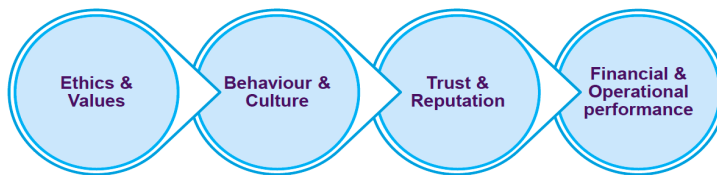
REPORT OF THE TRUSTEES

Message from the Chair

It's not rocket science! Businesses that behave ethically: that treat their employees, customers, suppliers, competitors and society fairly, build trust with these various stakeholders. Employees are more likely to be engaged and "to go the extra mile". Customers will give the business "the benefit of the doubt" and more leeway to put things right, if things do initially go wrong. Suppliers will be more flexible and helpful when the business faces an emergency, because they know that the business will reciprocate if they get into difficulties. Competitors will be more willing to collaborate on areas where there is no competitive advantage to operating unilaterally and where it makes sense, for example on sustainability initiatives or working with regulators on smarter enforcement of regulation. And there will be more in the business's "goodwill bank" with society, when things go awry.

As a much used IBE graphic indicates "building an ethical culture is the foundation of a sustainable organisation. Doing business ethically makes for better business".

BUILDING AN ETHICAL CULTURE IS THE FOUNDATION OF A SUSTAINABLE ORGANISATION



"Doing business ethically, makes for better business"

The IBE has nearly 40 years of hands-on experience, working with companies, large and small, to advise on "what works" in building, developing and maintaining an ethical culture. At the heart of our knowledge and experience is the IBE business ethics framework. I often say – only half-jokingly – this is 40 years work distilled onto one side of A4! During 2023, we updated this framework to give due emphasis to the links on rewards and recognition: i.e., that companies need regularly to check that how they reward and who they single out for recognition, corresponds to what people have achieved and how they have achieved their results.



The other important update to the Framework is emphasising board oversight and governance: tone from the top. The responsibility that boards will have for ensuring the organisation has an ethical culture.

We elaborated on this with guidance for non-executive directors and boards generally on the questions that would help them to achieve this. The process of developing this board guidance very much reflects an inclusive approach that IBE wants to inculcate. The staff team did an initial draft based on desk research and our existing IBE knowledge hub.

Then, we assembled an advisory group made up of FTSE board members and chairs and governance experts. They distilled the draft to two pages of A4 ("if you want busy board members to read this, no more than two pages of A4 please!"). This revised draft was then the subject of a three month consultation with supporter companies and friends of the IBE, regulators and governance experts. Feedback to the consultation informed the final draft signed off by the advisory panel.

If your board has not yet discussed the IBE guidance, (did I mention it was just two sides of A4!) please ask your Company Secretary to table it for the next board meeting – and as a substantive item for discussion. The UK Corporate Governance Code does emphasise the responsibility of boards for ensuring the desired culture of their organisation is the reality. We were, therefore, delighted to see the IBE's board guidance referenced in the FRC's guidance to the revised Corporate Governance Code published in January 2024. Having recently joined a commercial board myself, I do understand the time pressures on board agendas; but I also understand it is a false economy for boards to "take as read" that everything is indeed "hunky-dory" with their organisational culture.

Back to the IBE Business Ethics Framework. Not only is it the basis for all of our IBE training programmes and advisory services, but it also informs our IBE strategy and annual work programme. Additionally, it is now the basis for a new benchmarking service that the IBE launched in 2023. Again, if your business has yet to complete the benchmarking questionnaire, (it takes around 20 minutes to complete) please do so! The more businesses in the database, the more valuable the benchmarking becomes. Think of the 20 minutes it takes to complete the benchmarking questionnaire as an investment in your organisation's continuous improvement (all companies that complete the benchmarking questionnaire will receive the results of the benchmark) and as a contribution in kind to the work of the IBE. The bigger the benchmarking database, the more it helps the charity to be effective in our triple A roles as Authority, Advocate and Advisor.

Our supporters are the IBE. Thank you to all our supporters and thank you on behalf of the entire board to our hard working staff team. And my own personal thanks to fellow trustees and members of our Advisory Council. Some trustees have retired by rotation during the year: Cris Cortes, Loren Shuster and Yetunde Hofmann. We have been pleased to welcome several new trustees: Biran Misra, Fabiola Williams, Mark Dawson, Meriem Smida, Sarah Mason and Siwan Kalatzi.

Particular thanks to Mike Tuffrey who has stepped down as honorary treasurer but who remains a valued member of the board; and a warm welcome to our new treasurer, Sarah Mason.

We also send heartfelt thanks to retiring members of the Advisory Council during 2023: Sir Tim Melville-Ross, Sir Robert Worcester, Ian Barlow, Sir Kevin Tebbit, Peter Harper and Rachel Lomax and welcome in our new President Simon Thompson and Vice President Jasmine Whitbread; and new members of the Council: Paul Wilden, Amanda Mackenzie, Andrew Hill, Jonathan Evans (Lord Evans of Weardale), Marsha Ramroop.

During 2024, we will be saying thank you to our Director Dr Ian Peters who will be retiring from the IBE and we will be welcoming in our first CEO. More on this in due course. In the meantime it is "full steam ahead".

David Grayson
July 2024

Activities of the Institute of Business Ethics

The Board of Trustees present their report and the audited financial statements for the year ended 31 December 2023.

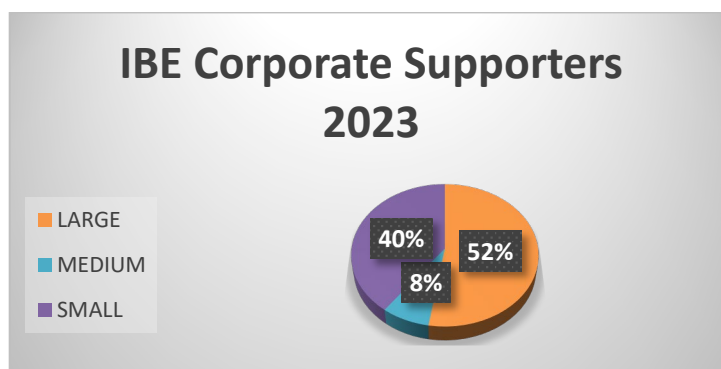
The IBE provides specialist advisory and training services, and delivers an extensive programme of research, surveys, and publications to inform business and the public in relation to business ethics. Much information is made freely available through our website, but it is our Supporters that have the most influence on the IBE's priorities and work programmes and, most importantly, they enjoy the significant advantages that come from participation in our unique supporter networks.

Engagement with our supporters

The IBE's work is funded by corporate and individual supporters. Through their donations, the Institute is able to realise its purpose.

Our supporters join a community of individuals and organisations committed to promoting the highest standards of business conduct based on ethical values. Our work is informed and shaped by engagement with our supporters and the insight this provides us. Our ongoing programme of engagement meetings has proved successful and informative for both the IBE and its supporters and has led to further interest and commissioned work.

It is important to our mission that we achieve a broad focus. To achieve this, we seek to engage with those at board and senior leadership level, as well as with the organisations' ethics and compliance practitioners, thereby increasing our effectiveness in creating a positive influence throughout the corporate world.



Through our Supporter-only networks, roundtables, and workshops:

- we connect businesses and ethics professionals working in similar fields and facing similar challenges, for industry and issue-specific confidential networking events, to identify emerging trends and share best practices,
- we provide a neutral, safe space to allow Chatham House Rule dialogue with industry peers and experts on the ethical dilemmas that businesses face.

Supporters' Forum

Our annual Supporters' Forum is an opportunity for IBE supporters to meet and hear about the IBE's work and provide input to our plans for the forthcoming year. This annual meeting is key to helping the IBE ensure that it is responsive to the latest developments in business ethics and thereby meeting the needs of our Supporters.

Business Ethics Network

Key to engagement with our supporters is our Business Ethics Network (BEN). It provides a confidential forum for the sharing of both good practice and any challenges faced in implementing an effective ethics programme. BEN members also contribute significantly to

the IBE's work programme by informing and influencing our priorities for future discussions and research. BEN meetings take place on a monthly basis.

Ethics Leaders Roundtables

Since its inception in 2021, the Ethics Leaders Roundtable meetings have had significant impact on the work of the IBE. Specific to the leaders of ethics functions to exchange views on the latest developments with a strategic focus, these small group discussions facilitate a greater depth of exchange.

Sector Groups

In order to address concerns relevant to specific areas of business, we host a number of sector groups, such as the Defence Practitioners (DPG), and the Utilities Sector (USG). These groups are for those responsible for ethics within their organisation to meet and explore specific ethical challenges in their sector, with the IBE providing research and producing briefings for discussion.

Two further groups comprise the **Bank Culture Chairs Group** (BCCG) being the Non-Executive Chairs of the committees looking at ethics and culture of six leading UK banks; and **Professionals against Corruption** (PaC), a group of professional services firms from the legal, accountancy and real estate sectors, committed to work together on the anti-money laundering and anti-corruption agenda.

The IBE provides the independent chair and secretariat for BCCG, and the secretariat and advisory services to support PaC.

Advisory Services and Training

As an independent not-for-profit organisation, our unique and pragmatic perspective allows us to work with organisations as a critical friend. Our advisory services are a means of ensuring we remain both current in our understanding of the shifts in the nature of ethical challenges in fast-evolving workplaces, and as a means of sharing expertise and good practice with others.

In addition, advisory work is an important means of diversifying our income sources. Assignments undertaken during 2023 included work with a multinational information technology company, a major UK financial institution and a multinational accounting organisation.

Training

The IBE has a long tradition and a strong belief in training. In 2023, we moved our Introduction to Business Ethics and Developing an ethics programme course to being free and on-demand for all our supporters. We also provide workshops and corporate in-house training, offering bespoke training sessions to all levels of staff, from boards and senior management to operational personnel.

All our various training services provide both online and face-to-face options as required..

Products

We provide a range of practical and easy to use toolkits which can be customised to the needs of the individual organisation. These include:

Say No Toolkit

A web-based product and app decision-making tool, designed to help organisations support their employees to make the right decision when faced with difficult situations such as whether to accept a gift or hospitality, a facilitation payment, or when faced with a conflict of interest. To maintain its relevance, work began in 2023 to review and update this product.

Speak Up Toolkit

This app helps employees prepare themselves to raise a concern at work. It answers questions about the entire process – from noticing a problem and having a

conversation through to what to expect if you call a Speak Up helpline or if your concern is investigated.

Business Ethics Toolkit

This toolkit provides a guide for business owners, chief executives or managers seeking to make their ethical values explicit, and to protect their business against ethical lapses. It suggests a simple, affordable approach to design an ethics framework, and it is intended to be particularly useful to small and medium sized businesses, start-ups, and growth companies.

Research & Thought leadership

Our research provides the foundation for our thought-leadership and our advisory services. We focus on topics with practical application and seek to support business through the promotion of the latest solutions and ideas. All our work is published on our website, and in 2023 included: Attitudes of the British Public to Business Ethics, Measuring Ethical Culture, Decision Making Toolkits in FTSE100 Codes, FTSE 350 Codes of Ethics and The Ethics of A.I.

A key project during 2023 was the development and publication of our **Guidance for Boards on Developing an Ethical Culture**. Led by an advisory group of non-executives and other specialists and chaired by Simon Thompson, this two-page note has been well received and referenced in the FRC's revised Corporate Governance Code Guidance. It will be a cornerstone of our work to promote ethical culture in organisations.

Website

Work has continued to ensure our site is user-friendly and easy to navigate. We have continued to feature **weekly blogs** where IBE staff, trustees, supporters and invited guests contribute to topical ethical debates. These blogs engender comment and debate on ethical culture and reviews of ethics-related books. In 2023 we began work on an upgrade to the website which will be completed in 2024.

Events

IBE events are typically provided free of charge. Most discussions and publication launches are open to the public and are advertised on our website. Alongside these, the IBE runs a series of private discussions and workshops available to corporate supporters only.

Many of our events were online, with recordings of our webinars made available as a free resource on our website and via YouTube to further the Institute's public and geographic outreach.

During 2023 we hosted:

- 11 public webinars with more than 500 attendees.
- European Business Ethics Forum (in Amsterdam jointly with French and US partners) with 78 paid registrants
- Our Annual Lecture (speaker: Claire Ighodaro CBE), Summer event and Supporter Forum to allow us to network and interact with supporters and other interested parties.

Business Ethics in Education

A core part of IBE's mission is the education of the next generation of business leaders in business schools and universities, sensitising them to the importance of ethical business practice and ethical issues. In 2023 we launched a new initiative: **The Future Leaders Forum**. Through this network we will engage with young people (up to age 30-35) to discuss and better understand their views on business ethics and what they want to see change to promote ethical behaviour in organisations.

Advocacy

The IBE provides advice to policy makers in government, supports corporate governance consultations and reviews, and is an advocate for ethical business practice.

The Trustees, Directors and staff make presentations and speak at conferences nationally and internationally advocating good business practice and offer the media and others an informed opinion and advice on current issues and good practice.

In particular, we engaged with the following:

- FRC – Member of the Stakeholder Insight Group and review of the Wates Principles for Private Companies, and contributed to the review of the UK Corporate Governance Code
- Chartered Governance Institute to chair a review of their Guidance on Board Evaluation
- Committee on Standards in Public Life, following publication of the CSPL report
- CBI's Culture Advisory Committee to advise and challenge CBI on addressing cultural issues
- IoD Commission to create a code of conduct for directors
- CISI – Member of the Integrity Committee

We once again participated in the 3 day Anthropy event at the Eden Project which included an IBE session on Ethical Dilemmas.

Structure, Governance and Management

The Institute of Business Ethics is an incorporated charity, re-registered with the Charity Commission on 1 April 2019, as a Company limited by Guarantee. It is governed by a Memorandum and Articles, dated September 2018.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the financial statements and comply with the charity's Articles, applicable law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Board of Trustees

The Board of Trustees are responsible for the overall strategic direction of the Institute, ensuring that the IBE abides by its charitable aim, works within the law, and delivers its mission effectively. The Trustees are led by the Chair of the board.

Trustees serve a maximum of three three-year terms and attend quarterly meetings.

Trustee vacancies are advertised when there is a particular skills gap and when a term of office comes to an end within the overall membership of the Board of Trustees. Applicants are interviewed by the Nominations Committee, and appointments are ratified by the whole Trustee body. Trustee induction is held at the start of the term and training is provided, as and when identified by the Chair and/or other trustees. All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 5 to the accounts.

Decision-making

The Trustees reserve the following decisions to themselves:

- Setting the strategy for the Charity.
- Approval of capital expenditure items of £10,000 or more
- Approval of the annual operating plan and budget, including the staff plan
- Approval of annual remuneration of staff and any termination or redundancy packages
- Approval of contracts and policies not in the ordinary course of affairs
- All Director level appointments
- Approval of the IBE's code of ethics
- Appointments of Trustees and Advisory Council members
- Approval of the Annual Report and Accounts
- Approval of reserves and investment policies
- Appointment of the Auditor

The Trustees delegate the following decisions to the Director:

- Hiring of staff within the staff plan
- Capital expenditure up to £5,000 with reference to the Chair and Treasurer on sums between £5,000 and £10,000
- Day-to-day operational decisions in relation to the delivery of the budget and strategic plan.

Advisory Council

The Advisory Council members, who include the President and the Vice Presidents, provide the IBE with advice and guidance on its work programme, thought leadership and strategy. They are invited to attend bi-annual meetings and receive copies of the Director's reports and the IBE's events programmes and publications. In addition, The President and the Vice Presidents receive copies of the Trustees' meeting minutes. The Advisory Council does not form part of the Institute's formal governance structure.

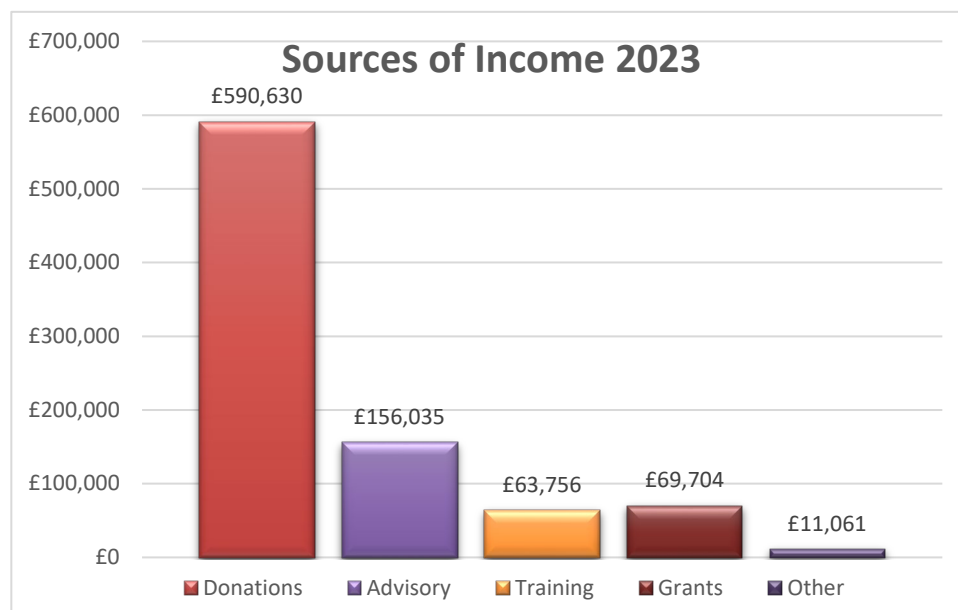
In 2023, we restructured the Advisory Council which included appointing a new President and a Vice-President and a change of membership, welcoming seven new members to replace a number of stalwarts who retired with our grateful thanks.

Funding

The IBE receives financial support from corporate supporters, individuals, and associations. The Institute also generates income from the provision of advisory services, corporate training courses, project funding, and products and events, as well as from public training courses and the sale of publications to non-supporters.

Sources of income

Through their donations, IBE supporters help to promote ethical business practice. They are encouraged to engage with us via events, publications, advice, and other services that the IBE provides. Diversification of cash funds and investments is regularly reviewed in order to reduce exposure of financial risk to any single institution.



Reserves & going concern

The income of the Institute of Business Ethics depends mainly on donations from companies, which can fluctuate from year to year. Any reduction in these can have a considerable impact on income. In addition, the Institute initiates and incurs costs for projects that may or may not generate equivalent revenue.

The Trustees regularly review the organisation's reserves policy and following board approval, the current policy has been put in place based on the following principles:

- Provide adequate working capital to cover the usual cash flow variability.
- To cover unforeseen financial difficulties allowing time for the Board and management to take remedial action, should income unexpectedly fall off or unplanned expenditure be incurred.

These two provide our normal operational reserves.

- When we receive income subject to specific stipulations which is unspent at the end of the financial year, the balance will be carried forward as restricted reserves, signaling they are not available for general purposes.
- We may also wish to hold additional 'earmarked' reserves – designated funds within our unrestricted reserves – so as to be able to make strategic investments in future.

A review shows that to cover routine operations together with salaries for a 3-month period, based on 2023 numbers, this equates to £163,867.

Based on these calculations, the Board confirmed that for 2023 we should continue to hold a minimum of £300,000 in reserves, to ensure that not only would this cover routine operations, but would also ensure cover for any further expenditure needed outside the norm. The IBE met this policy during the reporting period and continues to do so. However, the Board and management continue to monitor closely the level of reserves alongside income and expenditure.

As of 31 December 2023, total reserves were £569,653 of which unrestricted free reserves were £530,252. Note 15a of the accompanying accounts explains our future plans to disburse the restricted and designated funds held in reserve.

In reviewing our business and financial plans for the coming year, the trustees took account of possible outcomes should our supporter renewal rates decline, and the flexibility we have within our cost budget to offset any income shortfall.

In July 2023 trustees discussed the specific areas around our viability as a going concern, considering the Future Funding paper, and any anticipated risk to our operations. The trustees believe the charity will have sufficient resources to meet its liabilities as they fall due. As such, they remain satisfied that the charity can continue operating for the foreseeable future and these accounts have been prepared on a going concern basis.

Investment policy

Investments are stated at market value. The Trustees consider social, ethical, and environmental considerations when deciding where the Institute's funds are invested.

Remuneration policy

IBE is committed to ensuring that we pay our staff fairly, and in a way that ensures we attract and retain the right skills to have the greatest impact in delivering our charitable objectives.

Following recommendations from the Remuneration Committee (established in 2020), the Board of Trustees approve the annual percentage increase in the payroll for all staff in November, for the following salary year beginning in January, considering CPI as of 30 September of the current year and the latest figures for inflation and average earnings growth. This also includes any non-consolidated pay awards and staff salary increases outside of the annual review process as recommended from time to time by the Director.

The appropriateness and relevance of the remuneration policy is reviewed annually by the Director, who is entrusted to ensure that the review includes reference to comparisons with other relevant organisations, ensuring IBE remains sensitive to the broader issues e.g., pay and employment conditions, meets all national pay standards, and provides all paid staff with a living wage. Salaries are benchmarked against similar roles within like-minded charities, the Charity Salary Survey, and other comparable roles.

The Director reviews all staff pay levels annually, and new proposals are put to the Remuneration Committee and subsequently to the Board of Trustees for review and approval. The Director is in attendance for the meeting but leaves for any discussion regarding their own remuneration.

Pension policy

The IBE has adhered to the Auto-Enrolment Scheme, all employees are automatically enrolled in the company pension scheme and new employees will be automatically enrolled in the National Employment Savings Trust (NEST) in accordance with the company's obligations under the Pensions Act 2008.

Risk management

The IBE maintains an ongoing commitment to manage risks. The risk register forms part of the board pack, and the Director and executive team monitor the 8 identified areas of risk (see below) and any newly identified risks on a regular basis, with any changes reported to the board at each

meeting.

<u>Governance</u>	Failure to govern the institute in accordance with its objectives and external regulatory requirements
<u>People</u>	Failure to ensure right skills and resources to deliver objectives
<u>Relevance</u>	Failure to maintain relevance to business leading to loss of support and income
<u>Profile</u>	Failure to maintain profile and promote the IBE
<u>Finance</u>	Failure to maintain effective financial controls leads to financial loss
<u>Compliance</u>	Failure to comply with all legal and regulatory obligations
<u>IT</u>	Failure to maintain / upgrade IT systems and security
<u>External</u>	Failure to anticipate crisis

IBE Code of Ethics

The IBE has a Code of Ethics for all staff and Trustees, which is published on the website. It was reviewed and updated in 2021, next review scheduled for 2024.

Our values are to be:

Respectful – we respect the diversity of thought and perspectives offered by others. We are inclusive and treat others as they would want to be treated (consistent with ethical values).

Collaborative – we work as one team, empowering and supporting each other to achieve high quality results.

Trustworthy – we act with integrity, building strong relationships based on openness and honesty.

Courageous – we stand up for what's right, take managed risks and learn from experience when things go wrong.

Entrepreneurial – we are dynamic and innovative, seeking to achieve high performance, impact and growth to further the IBE's purpose.

Customer Focused – we treat our customers as partners and look to create powerful relationships based on professionalism, relevance, and subject-matter expertise.

In order to mitigate reputation risk and avoid potential conflicts of interest, the Trustees have a Register of Interests of Trustees for internal use. This is completed by new Trustees on appointment and reviewed annually.

Annual review of board effectiveness

The Chairman conducts 1:1 interviews with each trustee at the end of the year, collated feedback and a paper is presented to the first board meeting of the following year.

Statement of Trustees' Responsibilities

The board of trustees, who are also directors of Institute of Business Ethics for the purposes of company law, are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these 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
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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 auditor is unaware.
- 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 auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 2023 Year End was 16, as trustees are still guarantors for one year after resigning. The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity. The trustees who served during the year, and their pattern of attendance at board meetings, are shown in the table below.

Trustee	08-Mar	07-Jun	05-Jul	06-Sep	06-Dec
David Grayson(Chair)	✓	✓	✓	✓	✓
Mike Tuffrey(Treasurer)	✓	✓	✓	✓	✓
Loree Gourley (Vice-Chair)	✓	✓	✓	✓	✓
Ian Dyson	✓	✓	x	✓	✓
Cristina Cortes	✓	x	✓	Resigned	
Loren Shuster	✓	✓	✓	✓	Resigned
Yetunde Hofmann	X	Resigned			
Tim Langton	✓	✓	✓	✓	x
Louise Terry	✓	✓	✓	✓	✓
Jason Engelbrecht	X	✓	✓	X	✓
Sarah Mason		✓	✓	✓	✓
Biren Misra		✓	✓	X	✓
Fabiola Williams		✓	x	X	X
Mark Dawson		✓	✓	x	X
Meriem Smida		✓	✓	✓	✓
Siwan Kalatzi		✓	✓	✓	✓

Trustees:

- ❖ David Grayson, CBE – Chair
- ❖ Mike Tuffrey – Treasurer until September 2023
- ❖ Cristina Cortes – Retired July 2023
- ❖ Ian Dyson QPM
- ❖ Jason Engelbrecht
- ❖ Loree Gourley – Vice Chair
- ❖ Yetunde Hofmann – Retired March 2023
- ❖ Tim Langton
- ❖ Loren Shuster – Retired December 2023
- ❖ Louise Terry
- ❖ Sarah Mason – Joined July 2023 Treasurer from September 2023
- ❖ Biren Misra – Joined July 2023
- ❖ Fabiola Williams – Joined July 2023
- ❖ Mark Dawson – Joined July 2023
- ❖ Meriem Smida – Joined July 2023
- ❖ Siwan Kalatzi – Joined July 2023

Advisory Council:

- ❖ Sir Tim Melville-Ross KBE – President Retired July 2023
- ❖ Ian Barlow – Vice President- Retired October 2023
- ❖ Ram Gidoomal CBE – Vice President
- ❖ Simon Thompson – Vice President until December 2023 when appointed President
- ❖ Sir Robert Worcester KBE DL – Honorary Vice President- Retired October 2023
- ❖ Iain Anderson
- ❖ Sir Brendan Barber
- ❖ Sir Douglas Flint CBE
- ❖ Annabel Gillard
- ❖ Dr Peter Harper – Retired October 2023
- ❖ David Jackson
- ❖ Rachel Lomax – Retired October 2023
- ❖ John Williams

- ❖ Sir Mark Moody Stuart
- ❖ Chris Moorhouse
- ❖ Ruth Rawling
- ❖ Barbara Ridpath
- ❖ Robert Smith
- ❖ Professor Laura Spence
- ❖ Sir Kevin Tebbit KCB CMG – Retired October 2023
- ❖ Amanda Mackenzie LVO OBE– Joined August 2023
- ❖ Marsha Ramroop – Joined July 2023
- ❖ Paul Wilden – Joined July 2023

Auditors

Sayer Vincent were re-appointed as the charity's auditors during the year and have expressed their willingness to act in that capacity.

The accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime. The trustees' annual report has been approved by the trustees on 3 July 2024 and signed on their behalf by

David Grayson, CBE
Chair of Trustees

Independent auditor's report

To the members of

Institute of Business Ethics

Opinion

We have audited the financial statements of Institute of Business Ethics (the 'charitable company') for the year ended 31 December 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Institute of Business Ethics' 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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

Independent auditor's report

To the members of

Institute of Business Ethics

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 trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which 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 directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

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

Independent auditor's report

To the members of

Institute of Business Ethics

Auditor's 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud.
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Independent auditor's report

To the members of

Institute of Business Ethics

- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Joanna Pittman (Senior statutory auditor)
18 July 2024
for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

Statement of financial activities (incorporating income and expenditure account)

For the year ended 31 December 2023

	Note	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Income from:							
Donations and legacies	2	590,630	-	590,630	558,568	-	558,568
Charitable activities							
Advisory services		156,035	-	156,035	173,063	-	173,063
Training & Events		63,756	-	63,756	89,347	-	89,347
Marketing, Comms & Publs		1,050	-	1,050	1,260	-	1,260
Other charitable income	2a	56,454	13,250	69,704	-	-	-
Other		10,011	-	10,011	6,507	-	6,507
Total income		877,936	13,250	891,186	828,745	-	828,745
Expenditure on:							
Raising funds	3a	111,381	-	111,381	84,272	-	84,272
Charitable activities							
Advisory services	3a	195,661	-	195,661	161,698	-	161,698
Research	3a	64,220	7,163	71,384	80,393	-	80,393
Training & Events	3a	139,244	-	139,244	96,953	-	96,953
Marketing, Comms & Publs	3a	230,058	-	230,058	189,309	1,009	190,318
Supporter Engagement	3a	62,345	-	62,345	107,842	-	107,842
Total expenditure		802,909	7,163	810,073	720,467	1,009	721,476
Net income / (expenditure) before net gains on investments		75,027	6,087	81,113	108,278	(1,009)	107,269
Net gains on investments	10	864	-	864	(3,149)	-	(3,149)
Net income / (expenditure)		75,891	6,087	81,977	105,129	(1,009)	104,120
Transfers between funds	15a	-	-	-	-	-	-
Net income / (expenditure) before other recognised gains and losses	4	75,891	6,087	81,977	105,129	(1,009)	104,120
Gains / (losses) on foreign exchange		(1,367)	-	(1,367)	926	-	926
Net movement in funds		74,524	6,087	80,610	106,055	(1,009)	105,046
Reconciliation of funds:							
Total funds brought forward		479,976	9,067	489,043	373,921	10,076	383,997
Total funds carried forward		554,500	15,154	569,653	479,976	9,067	489,043

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. All movements in funds are disclosed above.

Balance sheet

Company number 11594672

As at 31 December 2023

	Note	£	2023 £	£	2022 £
Fixed assets:					
Tangible assets	9		8,757		7,810
Intangible assets	9		455		13,267
Investments	10		27,386		26,522
			36,598		47,599
Current assets:					
Debtors	11	32,448		13,135	
Cash at bank and in hand		739,144		599,547	
		771,592		612,682	
Liabilities:					
Creditors: amounts falling due within one year	12	238,537		171,238	
Net current assets			533,055		441,444
Total net assets			569,653		489,043
The funds of the charity:					
Unrestricted income funds:					
Designated funds	15a	19,461		26,473	
General funds		535,038		453,503	
Total unrestricted funds			554,499		479,976
Restricted funds	15a		15,154		9,067
Total charity funds			569,653		489,043

Approved by the trustees on 3 July 2024 and signed on their behalf by

David Grayson, CBE
Chair

Statement of cash flows

For the year ended 31 December 2023

	2023 £	£	2022 £	£
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	81,977		104,120	
Loss on investments	(864)		3,149	
Depreciation and amortisation	16,716		14,890	
Decrease / (Increase) in debtors	(19,313)		25,520	
(Decrease) / Increase in creditors	67,299		(29,610)	
	<u> </u>	145,815	<u> </u>	118,069
Net cash used in operating activities				
Cash flows from investing activities:				
Purchase of fixed assets	(4,851)		(6,799)	
	<u> </u>		<u> </u>	
Net cash used in investing activities		(4,851)		(6,799)
		<u> </u>		<u> </u>
Change in cash and cash equivalents in the period		140,964		111,270
Cash and cash equivalents on transfer of funds / start of period		599,547		487,351
Change in cash and cash equivalents due to foreign exchange		(1,367)		926
		<u> </u>		<u> </u>
Cash and cash equivalents at the end of the period		<u>739,144</u>		<u>599,547</u>
 Analysis of cash and cash equivalents				
	At 1 January 2023 £	Cash flows £	Other changes £	At 31 December 2023 £
Cash in hand	599,547	140,964	(1,367)	739,144
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total cash and cash equivalents	<u>599,547</u>	<u>140,964</u>	<u>(1,367)</u>	<u>739,144</u>

1 Accounting policies

a) Statutory information

Institute of Business Ethics is a charitable company limited by guarantee and is incorporated in England and Wales on 28 September 2018.

The registered office address and principal place of business is 71-75 Shelton Street, London, WC2H 9TQ.

b) Basis of preparation

The financial statements have been prepared in accordance with 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) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Expenditure and irrecoverable VAT

In 2022, a new structure for allocating costs was adopted, with more focus on identifying activities undertaken by the charity:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering advisory services, undertaking research and providing training courses and events on ethical matters. Charitable activities also include outreach to supporters and users via engagement, publications and meetings
- The Admin & IT and other costs represents those items not falling into any other heading

Irrecoverable VAT for 2023 is included in the accounts as overheads and charged back to the accounts in the same proportion as overheads.

i) Allocation of support and governance costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

	Staff costs	Office support
<input type="checkbox"/> Cost of raising funds	12%	16%
<input type="checkbox"/> Advisory Services	19%	26%
<input type="checkbox"/> Research	8%	11%
<input type="checkbox"/> Training & Events	11%	15%
<input type="checkbox"/> Marketing, Webs & Publications	17%	23%
<input type="checkbox"/> Supporter engagement	7%	9%
<input type="checkbox"/> Admin, IT and other support costs	26%	

j) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

k) Operating leases

The rental lease ended on 31 July 2022, and IBE staff now work remotely. There are no active operating leases.

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Full details are given in the financial instruments note.

p) Pensions

The charity operates a defined contribution scheme, whereby it will put in a contribution of 5% of an employee's gross salary. Pension contributions are paid monthly in arrears. There is no obligation for any employee to join the scheme and the charity has no further obligations once payments have been made.

q) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500 excluding VAT. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rate in use is 4 years.

r) Intangible assets

The new IBE website, developed in 2020 went live on 13 January 2021. All installation and development costs have been classed as intangible assets. Website support & update costs, website hosting and domain name costs are considered to be normal running costs and will be expensed in the period they are incurred.

Amortization is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The amortization rate in use is 4 years.

2 Income from donations and legacies

	2023	2022
	Total	Total
	£	£
Corporate subscriptions	586,423	556,518
Individual subscriptions	4,207	2,050
	590,630	558,568

2a Breakdown of other charitable income category

	Unrestricted	Restricted	2023	2022
	£	£	Total	Total
			£	£
The Law Project - restricted fund		13,250	13,250	
Say No toolkit	16,705		16,705	
Funds to translate IBE main publication	34,749		34,749	
Ethical risk project	5,000		5,000	
	56,454	13,250	69,704	-

Institute of Business Ethics

Notes to the financial statements

For the year ended 31 December 2023

3a Analysis of expenditure (current period)

	Charitable activities							2023 £
	Cost of raising funds	Advisory Services £	Research £	Training & Events £	Marketing, Comms & Publications £	Supporter Engagement & Recruitment £	Admin, IT, Governance, Support costs £	
Staff costs (Note 5)	79,025	144,431	34,584	54,913	107,107	42,375	137,660	600,095
Other staff costs	-	-	-	-	-	-	-	-
Direct expense	-	-	14,566	5,573	77,112	-	-	97,251
Events - EBEF	-	-	-	49,098	-	-	-	49,098
PaC expense	-	-	-	-	-	1,095	-	1,095
Ethics at Work 2021	-	-	-	-	-	-	-	-
Law Project direct expense	-	-	663	-	-	-	-	663
Office & IT support costs	4,895	7,750	3,263	4,487	6,934	2,855	10,606	40,790
Professional fees & insurance	2,529	4,005	1,686	2,319	3,584	1,476	5,481	21,080
	86,449	156,186	54,763	116,390	194,737	47,801	153,747	810,073
Admin, IT and office support	24,932	39,475	16,621	22,854	35,321	14,544	(153,747)	-
Total expenditure 2023	111,381	195,661	71,384	139,244	230,058	62,345	-	810,073

Institute of Business Ethics

Notes to the financial statements

For the year ended 31 December 2023

3b Analysis of expenditure (previous period)

	Charitable activities							2022 £
	Cost of raising funds	Advisory Services £	Research £	Training & Events £	Marketing, Comms & Publications £	Supporter Engagement & Recruitment £	Admin, IT, Governance, Support costs £	
Staff costs (Note 5)	50,074	100,733	44,011	35,572	73,933	61,828	148,473	514,624
Other staff costs	-	-	-	-	960	-	-	960
Direct expense	-	168	2,183	7,868	57,419	2,430	-	70,068
Events - EBEF	-	-	-	19,315	-	-	-	19,315
PaC expense	-	-	-	-	-	1,786	-	1,786
Ethics at Work 2021	-	-	-	-	1,009	-	-	1,009
Office & IT support costs	8,092	14,387	8,093	8,092	13,487	9,890	27,874	89,915
Professional fees & insurance	2,142	3,808	2,142	2,142	3,570	2,618	7,377	23,799
	60,308	119,096	56,429	72,989	150,378	78,552	183,724	721,476
Admin, IT and office support	23,964	42,602	23,964	23,964	39,940	29,290	(183,724)	-
Total expenditure 2022	84,272	161,698	80,393	96,953	190,318	107,842	-	721,476

4 Net income for the period

This is stated after charging / crediting:

	2023	2022
	£	£
Operating lease rentals:		
Property	-	25,715
Other	-	11,553
Auditor's remuneration (excluding VAT):		
Audit	8,500	7,200
Foreign exchange gains or (losses)	-	-
	8,500	7,200

5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023	2022
	£	£
Salaries and wages	526,068	449,723
Social security costs	50,879	47,450
Employer's contribution to defined contribution pension schemes	23,148	17,451
	600,095	514,624

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the accounting period between:

	2023	2022
	No.	No.
£60,000 - £69,998	1	-
£70,000 - £79,999	1	1
£100,000 - £109,999	-	1
£110,000 - £119,999	1	-

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £264,981 (2022: £237,131).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the period. No charity trustee received payment for professional or other services supplied to the charity.

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2022: £nil) incurred by 0 members (2022: 0) relating to attendance at meetings of the trustees.

6 Staff numbers

The average number of employees (head count based on number of staff employed) during the accounting period was as follows:

	2023	2022
	No.	No.
Raising funds	1.2	0.9
Advisory Services	2.1	1.6
Training & Events	1.1	0.9
Research	0.9	0.8
Marketing/Comms & Publs	1.8	1.5
Supporter Engagement	0.9	1.1
Admin, IT & support	2.7	3.0
	10.7	9.8

The average number of employees (full time equivalents) during the accounting period was as follows:

	2023	2022
	No.	No.
Raising funds	1.1	0.7
Advisory Services	1.9	1.3
Training & Events	1.0	0.7
Research	0.7	0.7
Marketing/Comms & Publs	1.6	1.3
Supporter Engagement	0.8	0.9
Admin, IT & support	2.5	2.7
	9.6	8.3

7 Related party transactions

There are no donations from related parties to disclose for 2023 (2022: none) which are outside the normal course of business and no restricted donations from related parties.

8 Taxation

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

9 Fixed assets	Computers £	Total £
Cost - fixed		
At the start of the period	14,920	14,920
Additions in the period	4,851	4,851
At the end of the period	<u>19,771</u>	<u>19,771</u>
Depreciation		
At the start of the period	7,110	7,110
Charge for the period	3,904	3,904
At the end of the period	<u>11,014</u>	<u>11,014</u>
Net book value		
At the end of the period	<u>8,757</u>	<u>8,757</u>
At the start of the period	<u>7,810</u>	<u>7,810</u>
Cost - intangibles	Website £	Total £
At the start of the period	51,248	51,248
At the end of the period	<u>51,248</u>	<u>51,248</u>
Depreciation		
At the start of the period	37,981	37,981
Charge for the period	12,812	12,812
At the end of the period	<u>50,793</u>	<u>50,793</u>
Net book value		
At the end of the period	<u>455</u>	<u>455</u>
At the start of the period	<u>13,267</u>	<u>13,267</u>

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31 December 2023

10 Listed investments measured through profit and loss	2023	2022
	£	£
Fair value at the start of the period	26,522	29,671
Net gain / (loss) on change in fair value	864	(3,149)
	27,386	26,522
Investments comprise:		
	2023	2022
	£	£
UK Common investment funds	27,386	26,522
	27,386	26,522
11 Debtors	2023	2022
	£	£
Trade debtors	26,558	6,616
Other debtors	90	161
Prepayments	5,800	6,296
Accrued income	-	62
	32,448	13,135
12 Creditors: amounts falling due within 12 months	2023	2022
	£	£
Sundry creditors	-	460
Taxation and social security	14,464	15,773
VAT	2,775	9,291
Accruals	27,778	29,411
Deferred income	193,520	116,303
	238,537	171,238
13 Deferred income		
Deferred income comprises fees, corporate or individual subscriptions that have been paid in advance.		
	2023	2022
	£	£
Balance at the beginning of the period	116,303	159,993
Amount released to income in the period	(116,303)	(159,993)
Amount deferred in the period	193,520	116,303
	193,520	116,303

14a Analysis of net assets between funds (current period)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible and intangible fixed assets	8,189	-	1,023	9,212
Net current assets	530,252	19,462	10,727	560,441
Net assets at 31 December 2023	538,441	19,462	11,750	569,653

14b Analysis of net assets between funds (prior period)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible and intangible fixed assets	21,077	-	-	21,077
Net current assets	432,426	26,473	9,067	467,966
Net assets at 31 December 2022	453,503	26,473	9,067	489,043

15a Movements in funds (current period)

	At 1 January 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2023 £
Restricted funds:					
Contributed Income, Research & Publication Fund	5,664	-	-	-	5,664
Ethics @ Work 2021	3,403	-	-	-	3,403
The Law Project		13,250	(7,163)	-	6,087
Total restricted funds	9,067	13,250	(7,163)	-	15,154
Unrestricted funds:					
Designated fund: Professionals against Corruption (PaC)	26,473	-	(1,095)	(5,917)	19,461
General funds	453,503	877,936	(802,318)	5,917	535,038
Total funds	489,043	891,186	(810,576)	-	569,653

The narrative to explain the purpose of each fund is given at the foot of the note below.

15b Movements in funds (prior period)

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2022 £
Restricted funds:					
Contributed Income, Research & Publication Fund	5,664	-	-	-	5,664
Ethics @ Work 2021	4,412	-	(1,009)	-	3,403
Total restricted funds	10,076	-	(1,009)	-	9,067
Unrestricted funds:					
Designated fund: Professionals against Corruption (PaC)	43,309	-	(1,786)	(15,050)	26,473
General funds	330,612	828,745	(720,904)	15,050	453,503
Total unrestricted funds	383,997	828,745	(723,699)	-	489,043

Purposes of restricted funds

Contributed Income, Research & Publication Fund

This is a fund from a series of requested donations for the purpose of the IBE's Research and Publication work. It allowed the IBE to create more resources and freely disseminate them more widely. The monies collected so far will be spent by the end of 2024.

Ethics @ Work 2021 fund

This is a fund from a series of requested donations from major supporters to sponsor the research, collation of data and publication which is done every three years. These funds cover the costs of the outsourced research and publications. The surveys are conducted in a set amount of countries (usually determined by the amount of funds received and the organisation used to survey and their reach) and focused on the ethical behaviour of staff in larger companies (overall in excess of more than 10,000 employees). Any remaining funds will be used to support the IBE's ongoing research and to further develop our thought leadership for IBE's supporters and the wider community.

The Law Project

The Law Project is the establishment of a Taskforce on Business Ethics and the Legal Profession, to examine the role of lawyers and law firms in relation to kleptocracy and grand corruption. This is in line with the IBE's mission, and the formal funding relationship is between the Joffe Trust and the IBE. The project commenced in July 2023 and will run for 18 months and will formally cease on the publication of the final report.

Purposes of designated funds

Professionals against Corruption

A group of professional services firms have reached an agreement with the IBE, to work together on an anti-corruption and anti-money laundering agenda. The transfer of funds for 2023 was to cover the costs of training sessions requested by PAC. Further funds will be drawn down to facilitate research and projects connected to this agenda.



Post-audit report

Institute of Business Ethics
For the year ended 31 December 2023

Contents

Executive summary.....	3
Significant matters.....	4
Audit findings.....	6
Appendix A – Emerging issues and good practice	8
Appendix B – Scope of our audit.....	21
Appendix C – Planned audit approach	23
Appendix D – Contact details	25

Note The contents of this report are for the attention and information of the board and managers only. You may only disclose the contents of this report to third parties with our permission and we cannot be held liable for any reliance placed on the contents by third parties.

Executive summary

Results of our audit and proposed audit opinion

Our audit was conducted in accordance with our audit strategy, sent to you on 07 February 2024. No changes were identified to our planned approach during our audit. As a result, we can confirm that we anticipate issuing an unmodified audit opinion in respect of the year ended 31 December 2023.

The scope of our audit work is summarised in Appendix B, along with a reminder of our planned audit approach as set out within our audit strategy, this is included as Appendix C. We would be pleased to discuss our approach with you at your request.

Significant matters

Our audit of the key risks of the organisation, and our discussions with you around other key substantive issues have resulted in the following matters being reported to you:

- Financial position and going concern

Audit findings

From our audit testing and review of your key controls, we identified matters to report to you as follows:

- Restricted funds

Full details of these findings, along with an update on previously raised points, are included in the 'Audit findings' section.

Key emerging sector issues in the year

We have included at Appendix A details of various matters within the sector that we consider may be of relevance and interest to you.

Please extend our thanks to Judi Wright and Jennifer Lashley for all their help with the audit. If you would like to discuss any aspect of your audit, then please do contact Joanna Pittman.

Significant matters

Financial position and going concern

In 2023, total income rose slightly to £891k from £829k in the previous year. While advisory income dropped to £156k from £173k, along with a decrease in training and events income, these were both offset by the receipt of new grant income and other charitable income of almost £70k. Supporter income also increased by £32k.

Expenditure increased by £89k from £721k to £810k. Most of the increase related to staff costs, due to an increase in head count and full time equivalent staff in the year, and increases amounts paid to staff.

The charity generated a surplus of £80k, with increases to both restricted and unrestricted funds.

A surplus budget has been set for the next 2 financial years, on the basis of stable fees from supporters and an increase in advisory work. For this reason, the going concern position appears to be appropriate.

However, it is important that the trustees consider the going concern position and consider if there are any material uncertainties, looking ahead for the next 12 months. We will consider going concern again before we sign our audit opinion.

Follow up on prior year significant matters

- **Supporter income and VAT**

In the prior year audit, a VAT review was carried out by The VAT People, which covered consideration of whether IBE was correct to exempt its income, the appropriate VAT treatment of other income streams and the VAT recovery position.

We reviewed the report provided following this review and provided our views. No liability was recognised in the financial statements last year as the potential liability was not considered material for audit purposes.

There were some points which required further investigation which we have discussed with your team this year:

- 1 *IBE to clarify the interpretation in relation to training and EBEF*

It was determined that EBEF income is exempt from VAT, as it is held for educational and vocational purposes and IBE training income is exempt income for the same reasoning.

- 2 *IBE to consider implications for errors in the past and the position for VAT recovery in the future & quantify how much VAT is owed which hasn't been charged on income*
- IBE were advised that they should draw a line under previous VAT returns, and moving forwards have established the VAT treatment and VAT recovery rules based on the guidance following the VAT investigation and report. These VAT recovery rules have been implemented in all VAT returns completed since the review.

Other key audit risks

In our audit strategy document, we highlighted other key audit risks as follows:

- Income recognition and completeness
- Staff costs
- Risks that procedures will not be followed

Our planned work for each of these risks is set out in Appendix C. We can confirm that we were able to carry out this work to our satisfaction.

Audit findings

Our audit is not a comprehensive review of systems and controls, but this section covers key findings which we felt should be reported to you.

Restricted funds

Note 15a to the financial statements sets out the detail of the restricted funds held at the end of the financial year. There are a couple of smaller funds, some which have not been used for many years and others are slow moving. We understand that in some cases, the projects that the funds were created for have been completed, and for others, the funders no longer exist.

The Charity Commission has a new “cy-près scheme” which could allow the release the restriction of some of these funds. Under this scheme, trustees can repurpose restricted funds – such as those above – which cannot be used, without seeking formal permission of the Charity Commission.

We recommend that this is considered in 2024 to ensure best use of these restricted funds held at the financial year end.

Management response

This in reference to the CRP fund which were monies sought for research and publication projects. Management will review the status and will bring this matter to the trustees to release the funds under the new scheme. The other fund refers to the Ethics at Work 21, this money will be used for Ethics at Work 24.

Follow up on prior year post-audit report points

- **Authorisation of bank payments**

Last year we noted that for batches over £5,000, both the Treasurer and the Director are required to approve the payment before it can be made. While the Director had the full list of invoices and the invoices themselves to review before approval, the Treasurer did not have access to the invoices. The second approval was done on the basis of the first approval.

This year, all batches over £5,000 have the accompanying paperwork and invoices were sent to the Treasurer prior to authorisation.

- **Lack of electronic employee contracts**

During our audit last year, we noted for some long-standing employees, no recent employee contracts were available as the original contracts had been archived and new, electronic documentation were not held.

During the year, Bright HR has been brought in, with management undertaking new procedures to manage the HR process. Part of this was to draft new, electronic contracts for all employees who previously had paper-based contracts. We have found no instances of electronic employee contracts not being available to us for our audit testing this year.

- **Declarations of interests**

During our audit last year, we noted that the collection of declarations of interests from trustees took a substantial amount of time, increasing the risk of the charity not being aware of any potential conflicts of interest.

In the current year, all declarations of interests forms were received in advance of the audit and in a more timely manner.

Appendix A – Emerging issues and good practice

These are matters which you may find helpful, consisting of notes and information on new developments relevant to you, and possible improvements to implement what is considered best practice.

We also provide regular updates on emerging issues through our monthly newsletter. If you would like to receive our newsletter please sign up on our [website](#).

Governance

New Charity Commission guidance: Accepting, refusing and returning donations

The Charity Commission has issued new guidance in March 2024 to help charities facing difficult decisions about donations. The guidance is issued in the context of concern that trustees could allow personal views or external pressures to influence a funding decision, that may be in conflict with the charity’s purpose and best interests.

The guidance reiterates that trustees should always start from a position of accepting donations, but occasionally may face a difficult decision over whether to refuse or return a donation. In such scenarios, the guidance provides a framework to allow an informed discussion at board level, advising that trustees consider a number of factors, including:

- The risks involved in accepting and refusing the donation;
- The value of the donation and financial implication of accepting or refusing the gift;
- The extent of any potential conflict between the charity’s purpose and the donation.

The guidance also provides a useful reminder on a number of related topics such as:

- circumstances where a donation must be returned;
- The assessment of anonymous donations;
- Having a clear policy on accepting, refusing and returning donations; and
- When you need to report a serious incident to the Commission if you decide to refuse or return a donation.

The full guidance can be accessed via the following [link](#).

Improving Board oversight of Cybersecurity

Cyber governance focuses on a top-down approach to managing and mitigating risks associated with security concerns around the organisation’s use of digital technologies.

Governance

If your organisation is looking for board level support in this area, you could consider becoming members of CXB – Cyber Governance for boards. CXB advertise themselves as a not-for-profit forum, run by non-executives, for non-executives, including charity trustees.

Membership is free and their aim is to support individual non-executive directors to increase their knowledge, skill and confidence in cybersecurity via workshops and webinars, shared insights and mentoring schemes. More information can be found at the following [link](#).

OSCR: Financial management lessons for charity trustees

OSCR, the Scottish Charity Regulator has recently issued some key financial governance lessons, that will be relevant for all charity trustees. The findings come from their regulatory inquiry work and include:

- Ensuring financial controls are simple and easily understood;
- Having procedures to underpin key financial decisions. They should cover who has the authority to make financial decisions and at what threshold, how this is monitored and circumstances where dual approval is appropriate;
- Charitable expenditure considerations including value for money and budgetary controls;
- Ensuring all trustees have a basic understanding of their charity's finances;
- Ensuring relevant financial information is available to all trustees, in the appropriate format to enable informed decision making; and
- Communication of the financial position between the trustees and staff should be shared sensibly with explanation, as well as consideration when financial information should be shared more widely i.e., to beneficiaries and funders.

Further detail can be accessed using the following [link](#).

The Economic Crime and Corporate Transparency Act 2023

The Economic Crime and Corporate Transparency Act (ECCTA) received Royal Assent on 26 October 2023. The act amends the Companies Act 2006, introducing new and enhanced powers to UK authorities including Companies House, allowing them to play an important role in fighting financial crime and improving transparency over corporate entities.

Companies House

Some of the most significant measures introduced are for companies registered in England and Wales, in terms of how they will interact and submit information to Companies House.

Governance

The first set of changes introduced by the ECCTA came into force on the 4th March 2024.

They include:

- Greater powers to query information and request supporting information;
- Stronger checks on company names;
- New rules for registered office addresses;
- A requirement to supply a registered email address;
- A requirement for all companies to confirm they're forming the company for a lawful purpose when they incorporate, and to confirm its intended future activities will be lawful on their confirmation statement;
- The ability to annotate the register when information appears confusing or misleading;
- Taking steps to clean up the register, using data matching to identify and remove inaccurate information; and
- Sharing data with other government departments and law enforcement agencies

Other measures under the Act will be introduced at a later date, requiring secondary legislation and include:

- introducing identity verification for all new and existing registered company directors, people with significant control, limited liability partnerships and those who file on behalf of companies;
- introducing restrictions on who can file documents with Companies House on behalf of companies;
- widening the regulators powers to be a more proactive gatekeeper including the power to decline new companies and powers to check, remove or decline information submitted to, or already received by the regulator;
- improving the financial information on the register so that it is more reliable, complete, and accurate, reflecting the latest advancements in digital technology (this is considered further in a separate emerging issue on the expected move to software only filing), and enables better business decisions;
- new investigative and enforcement powers. Companies House will be able to proactively share information with law enforcement bodies where they have evidence of anomalous filings or suspicious behaviour;
- regulations to ensure better protection of personal information provided to Companies House, to protect individuals from fraud; and
- changing the filing requirements for smaller and micro companies:
 - small companies will now need to file a Profit & Loss account and director's report.
 - micro entities will need to file a Profit & Loss account.
 - small and micro entities, in certain circumstances will be able to specify that their profit & loss account (or part of the P&L) is not available for public inspection.
 - an additional statement will be required by the directors when a company seeks to rely on an audit exemption (for example, dormant companies). The statement will

Governance

need to identify the exemption being taken and include confirmation that the company is eligible to take the exemption.

- more information can be found in the Government's factsheet, [here](#).

Further information is provided by Companies House [here](#).

Given the scale of the reform, Companies House has also confirmed they will be increasing some of their fees in 2024 to cover the costs of the services they deliver.

Other Measures

The ECCTA also includes other measures around:

- additional powers to law enforcement to seize and recover suspected criminal crypto assets;
- the strengthening of anti-money laundering powers, including giving entities more confidence to share relevant information;
- Limited partnership reform.

Accessing the legislation

The full detail of the ECCTA can be found [here](#).

Charities Act 2022 changes introduced in March 2024

The Charity Commission has updated its' [guidance](#) on changes being introduced by the Charities Act 2022, to include a summary of changes that came into force on 7 March 2024. These changes include:

- **Making changes to governing documents** – new statutory powers that trusts and unincorporated associations can use to make changes to their governing document, including:
 - How resolutions are passed when using the new powers.
 - A power for the Commission to give notice (directly or publicly) of regulated alterations to governing documents.

Further guidance is provided by the Commission [here](#).

- **Charity mergers** – new rules will allow most gifts to charities that merge to take effect as gifts to the charity they have merged with.

The Commission provides further guidance on charity mergers [here](#).

Governance

There are also other provisions giving the Commission power to authorise trustee payments for work for their charity where it would be inequitable not to do so (further information can be found [here](#)) and to confirm defective (or potentially defective) trustee appointments (guidance revised [here](#)).

The Charities Act 2022 received Royal Assent on 24 February 2022 and aims to address technical issues and improve the effectiveness of charity administration based on the Government's response in 2021 to the Law Commission report 'Technical issues in Charity Law'. The Charities Act 2022 changes have been delivered in phases and the guidance also provides a reminder of changes that have already been implemented in Phases 1 (31 October 2022) & 2 (14 June 2023).

Charity Commission: 5-minute guides and Trustees' quiz

The Charity Commission have launched an online quiz, alongside their 5-minute guides to support trustees in understanding the key requirements of their role. The 5-minute guides are available in written and video form and can be found [here](#). They cover the following topics:

- Delivering purpose;
- Managing conflicts of interest;
- Reporting information;
- Safeguarding people;
- Making decisions; and
- Managing finances

The quiz presents multiple-choice questions based on everyday scenarios that trustees may encounter in running their charity and aims to be a quick and engaging tool to support trustees identify skills and knowledge gaps. It can be accessed via the following [link](#).

Charity Commission filing changes

The Charity Commission has introduced a new platform "My Charity Commission Account" through which charities can access the Commission's services, including for filing financial statements and the annual return.

This can be accessed at <https://my-charity-account.charitycommission.gov.uk/>. Each charity's named contact with the Commission should have been invited to set up an administrator account on the new system.

The new platform has been live since 31 July 2023, with all statutory filings now only being possible via this system.

Governance

More information, including the regulator's long term ambition to create a direct form of online communication between trustees and other parties that use their online services, can be found in the following [blog](#) from the Charity Commission.

Charity Commission update CC8: Internal financial controls for charities

In April 2023 the Charity Commission updated its CC8 guidance on internal financial controls and associated checklist to recognise the reality of charity finances in the digital age.

There are new sections on cyber security, mobile payment systems such as Google Pay and Apple Pay, donations of crypto assets and accepting hospitality. Other sections that have been updated include fundraising and holding public collections, making payments to related parties and operating internationally.

The new guidance and checklist can be found [here](#).

Financial Reporting Council (FRC): Minimum standards for audit committees

In May 2023, the FRC issued their minimum standard for Audit Committees of FTSE 350 companies, however other smaller entities may choose to apply the standard to demonstrate good governance.

The standard covers:

- Tendering and rotation of external auditors;
- External auditor access to staff and records;
- Reviewing and monitoring the external auditor's independence and objectivity;
- Oversight and provision of non-audit services; and
- Reporting to the full board how it has discharged its responsibilities with respect to the external audit.

A copy of the standard can be found [here](#).

Accounting and reporting

Upcoming changes to FRS 102

At the end of March 2024, the FRC issued [amendments to FRS 102](#), *The Financial Reporting Standard applicable in the UK and Republic of Ireland and other FRSs – Periodic Review 2024*, which is effective from 1 January 2026 (although early adoption is permitted).

The changes predominantly relate to a new model for revenue recognition and accounting for operating leases, as well as other incremental improvements and clarifications. More detail is provided below:

Revenue:

- The introduction of a 5-step income recognition model based on contractual promises.
- This will apply to contractual income, so it is important to ensure that you have a complete register of contractual income, that outlines:
 - Who the contract(s) is with and the value of the contract.
 - The promises made in the contract.
 - An allocation of the contract value to promises identified.

Leases:

- Lessees now required to include operating leases on the Balance Sheet as a Right of Use Asset and Lease Liability, except where exemptions apply.
- Lease expenditure will now be classified as depreciation (for Right of Use Asset) and Interest (Lease liability).
- Exemptions will be available for short-term leases and leases of low-value assets.
- It is important to ensure you have a complete up to date register of leases, readily available to the finance team.

The issued amendments also confirm that no restatement of comparatives is required.

The Financial Reporting Council have not yet created new fact sheets, which often provide a more useable guide to navigate the requirements but have clarified that they intend to do so later in 2024 (for certain aspects of the new requirements). You can look out for these guides by bookmarking the following [link](#).

The delay in launching these amendments has had an impact on the launch of a revised Charities Statement of Recommend Practice (SORP), as the SORP committee need time to consider the application of FRS 102 for charities, alongside other proposed changes that are set to be included in the next version. With respect of the other changes that will be

Accounting and reporting

implemented in the new SORP, you can follow the Charity SORP Committee discussion via minutes of their meetings [here](#).

We will provide more detail on the new SORP as and when this is available.

In the meantime, you can prepare for the upcoming changes by:

- Considering any potential impacts to your organisation relating to an increase in assets and liabilities if more leases are recognised on the Balance Sheet. This was explored in a blog written by Fleur Holden which can be accessed [here](#).
- Ensuring contract and lease registers are up to date.
- Undertaking an impact assessment of likely changes:
 - What is the likely change to the Balance Sheet and Statement of Financial Activities?
 - How does this impact the presentation of the accounts and key financial ratios?
 - Does the impact need to be communicated to key stakeholders?
 - What changes will you need to make to your accounting policies?
 - Do you have the expertise to undertake the changes in-house, will training be required?
 - Will nominal ledger and cost centre codes need to be updated as well as parameters feeding automated reports?
 - What systems and controls will we need to be implemented to ensure compliance with the revised requirements, including the capture of information to satisfy disclosure requirements?
 - What is your timeline of key activities to transition to the new requirements?

We will be offering additional support nearer to the implementation date. In the meantime, if you need support with any of the above, please contact your Audit Manager or Audit Partner.

Companies House – Software only filing of accounts will be phased in

Companies House have confirmed their intention to move to a software only approach for company accounts filed with the regulator. This will mean that companies will no longer be able to file accounts on paper or using the Companies Online service.

A timetable for phasing in this approach will be communicated to companies once the Economic Crime and Corporate Transparency Bill achieves Royal Assent, which is anticipated to give the regulator the mandate to decide how companies file their accounts. Early adoption is encouraged. More information can be found [here](#).

Accounting and reporting

A list of software providers that have this capability, that have been tested by Companies House can be found [here](#).

We will keep you informed of future developments and exactly how this will impact charitable companies.

Taxation and Employment

Holiday pay for irregular workers

The Government has recently legislated to regularise the holiday accrual position for part-year and irregular workers. The legislation confirms that holiday entitlement should be calculated as 12.07% of actual hours worked in a pay period and expressly permits the rolling up of holiday pay.

This change came into effect for leave years beginning on or after 1 April 2024. Detailed information can be found in the following [guidance](#) from the Department for Business and Trade.

Spring Budget 2024

On 6 March 2024 the government set out its Spring Budget covering the latest economic forecasts and setting out decisions relating to spending and taxation, following on from some previous announcements made in the Autumn Statement that are now coming into force.

A summary of the main impacts for tax that arose from the Budget and Autumn Statement that are applicable to charities and not for profit entities is set out below.

- Employee National Insurance is set to be cut to 8% from 6 April 2024, having previously been cut from 12% to 10% from 6 January 2024. Employer rates have remained unchanged. Organisations will need to work with their payroll providers to ensure this reduction is correctly implemented.
- The National Living Wage increases by 9.8% to £11.44 from 1 April 2024. Additionally the minimum age for the adult rate will decrease from 23 to 21. Employers will need to review amounts paid to lower paid staff to ensure that they are compliant with the new rate, particularly for staff that now qualify for the higher rate.
- The business rates standard multiplier will increase from 51.2p to 54.6p although the rate for small businesses has been frozen. The retail, hospitality and leisure relief of

Taxation and Employment

75% has also been extended for 2024–25 which will continue to provide a valuable support for operators of relevant properties.

- The VAT registration threshold from 1 April 2024 has been increased to £90,000, with the deregistration threshold also increasing to £88,000.
- The VAT relief for installation of energy saving materials has been extended to relevant charitable purpose buildings, as well as being expanded to include additional technologies.
- There will be a permanent increase to the rates of tax relief for museums, galleries, theatres, and orchestras from 1 April 2025. The rates will be 40% for non-touring museums, galleries, and theatre productions, and 45% for touring productions as well as all orchestra productions.
- The Government will ensure amendments to the Digital Markets, Competition and Consumers Bill are made to allow charities to continue to claim Gift Aid on subscription contracts (such as membership). Previously there had been concern that the protections introduced in the bill could have prevented Gift Aid from being claimed on subscriptions.
- For organisations within the charge to corporation tax (such as charity trading subsidiaries) the first-year allowance of 100% for investment into IT, machinery and equipment has been made permanent.
- For medium and large organisations that are subject to off-payroll working (IR35) regulations where an error has been made in applying the rules. New legislation will be introduced allowing HMRC to reduce the liability of a deemed employer to account for taxes paid by a worker and intermediary.

Mandatory payrolling of benefits in kind from April 2026

HMRC has announced that employers will be required to payroll all taxable benefits in kind from 6 April 2026. Common taxable benefits in kind in the charity sector include: employer provided living accommodation, company cars and vans, private medical insurance and beneficial loans.

Mandatory payrolling means that employers will no longer have to complete annual P11D and P11D(b) returns, so this is likely to be a significant administrative simplification for employers who currently have to complete these.

HMRC say this measure will reduce administrative burdens for employers and HMRC by simplifying and digitising the process of reporting and paying tax on all employment benefits. It will remove the need for 4 million end of year returns to be submitted to HMRC.

Taxation and Employment

At present employers can payroll most benefits in kind voluntarily. Payrolling a benefit in kind means adding a notional benefit value to the monthly / weekly payroll and subjecting it to Income Tax. However for National Insurance purposes, most benefits in kind are subject to class 1A National Insurance Contributions and employers must still complete an annual P11Db return.

This is a preliminary announcement from HMRC, the detail of how this will work in practice is yet to be made clear. HMRC plans to issue draft legislation for consultation later in 2024.

Potential problems/risks include:

- Will class 1A National Insurance Contributions remain payable annually after the end of the tax year (as currently) or will this also become payable monthly or weekly?
- Will payroll software and HMRC's systems have been updated and be ready in time for the planned change date of April 2026?

For the HMRC announcement, see <https://www.gov.uk/government/publications/tax-simplification-update-january-2024/tax-simplification-update-january-2024>

Sector information

Philanthropy Capital (NPC): State of the Sector 2024

NPC have released their latest State of the Sector report, the findings of which are based on survey responses from charity leaders and members of the public.

This research highlights a range of issues that the sector and the people who need its support are facing, including risks to public services and high needs exacerbated by regional inequalities in charity support. It also highlights that there is support from both the sector and the general public for greater government action to begin tackling these issues.

The report also includes a number of recommendations for charities including:

- A review of risks relating to government contracts.
- Non-complacency about diversity.
- The need to consider longer-term risks relating to the environmental crisis.
- Ensuring that beneficiary involvement does not become tokenistic.

The report can be accessed using the following [link](#).

Sector information

NCVO – Road Ahead 2024

For 2024, the National Council for Voluntary Organisations have released their ‘Road Ahead’ publication covering the following themes:

- An election year brings uncertainty but also opportunity;
- Tough economic times set to continue; and
- Adapting to the big social, environmental and technology shifts

You can read the report using the following [link](#). If you are not a member of the NCVO, you can still access the report as a guest, but will need to provide contact details to do so.

UK Civil Society Almanac 2023

The latest version of the UK Civil Society Almanac (published annually by the NCVO), is now available and can be found [here](#).

The Almanac is free to access and provides a wealth of data relating to UK voluntary sector including:

- financial data;
- workforce data;
- volunteering data; and
- vacancy salary data.

The NCVO provides the following examples of how the data might be used in practice:

- to understand the scope and scale of the voluntary sector;
- to highlight the value of the sector, influence policy and strengthen your campaigns;
- inform your charity’s financial plan and fundraising strategy;
- assist Trustees with strategic thinking;
- as a benchmarking tool to compare your charity with other similar organisations;
- to explain the context to how your organisation works;
- to understand workforce trends in the sector and what this might mean for you; and
- to improve your volunteer recruitment and involvement.

Events

We are currently running our programme as webinars alongside our other online resources.

20 September	Regulatory Update
4 October	Accounting systems
18 October	Assessing the VAT treatment of activities
1 November	Governance pit-falls
8 November	VAT recovery and charity reliefs
15 November	Accounting Update
13 December	Maximise your fundraising ethically

Recordings of all our most recent sessions are available for free, on request. If you have missed any webinars from our current series and would like to catch up, please email events@sayervincent.co.uk.

Visit our website for further details and a full list of our past and future events: www.sayervincent.co.uk/events.

Appendix B – Scope of our audit

The objective of the statutory audit is to enable us to give an opinion as to whether the financial statements show a true and fair view of the results for the year and the state of affairs at the year end and whether the information contained in the trustees' annual report is consistent with the financial statements. As part of our work we also review whether the financial statements comply with relevant accounting standards and the Statement of Recommended Practice (SORP) for charities. We design audit tests to provide assurance that the financial statements are free from material error and to enable us to have a reasonable expectation of detecting material misstatement in the financial statements or accounting records resulting from irregularities or fraud. However, our audit is not a comprehensive review of your systems and controls.

The primary purpose of an audit is to report our opinion in the audit report attached to the financial statements. Although it is not explicitly stated, an unmodified audit report means that we:

- Did gather adequate audit evidence to support the assertions in the financial statements
- Are satisfied that the books and records are in agreement with the financial statements
- Received all the information and explanations we considered necessary for the audit
- Are satisfied with the disclosures in the notes to the financial statements

We do not audit the trustees' annual report, but we do check that this is consistent with the financial statements and confirm this in our audit report. However, the audit procedures are designed to give us reasonable assurance that the financial statements, taken as a whole, are free of material misstatement. It is the responsibility of the board to ensure, as far as possible, that accurate and reliable accounting records are maintained and to operate appropriate controls to prevent and detect fraud and error. It is also the board's responsibility to take necessary steps to ensure that they are aware of all information relevant to the audit and that this has been communicated to us. The points we make in this report are matters we felt would be useful to bring to your attention, rather than a comprehensive review.

We undertook a statutory audit in accordance with our engagement letter dated 25 November 2019.

Materiality

For the purposes of our audit, we assess materiality by considering factors such as the gross income, surplus or deficit for the year, gross assets and net assets. The overall materiality level for the audit this year will be approximately £17,800, which is based on 2% of incoming resources for the year ending 31 December 2023. If accumulated errors exceed this level,

then we require adjustments to be made to the financial statements or we modify our audit report.

We also assess appropriate levels of materiality for particular types of transactions. For example, all payments to trustees are material. Similarly, unusual transactions would be selected for testing, e.g. a loan. So we use our judgement when selecting individual transactions for testing, rather than simply testing high value items.

In the course of our audit, we reviewed transactions and balances which fell below our materiality threshold. We report all errors or misstatements detected during the audit, unless they are clearly trivial, for which our threshold is £890.

Amendments to the financial statements

We did not identify any potential adjustments during the audit.

As trustees who are responsible for the preparation of the financial statements, you are asked to confirm in the letter of representations that no further adjustments are required.

Independence and objectivity

We operate a number of checks to ensure that we continue to act independently. We have enquired whether any partners or staff have a connection to Institute of Business Ethics, its staff or board.

We are not aware of any matters which would impact on our independence and objectivity as auditor.

Audit process

The audit proceeded as planned and according to the agreed timetable.

We can confirm that the audit opinion will be unmodified.

Fees

The fee for the audit is £8,500 excluding VAT, in line with the amount estimated in our audit strategy.

Appendix C – Planned audit approach

The key audit risks identified at the planning stage and presented in our audit strategy document are set out in the table below.

Audit risk	Audit approach
<p>Financial sustainability</p> <p>We are required to assess whether it is appropriate for the accounts to be prepared under the going concern assumption. It is therefore important for trustees to have reviewed this and evidenced their decision making process.</p> <p>This year, we note that there will be a change of Director, although it is anticipated that there will be a good handover period to ease the transition.</p>	<p>We will review budgets and cash flow forecasts covering a period of at least 12 months from the date of approval of the trustees’ annual report and financial statements.</p> <p>We will review the trustees paper outlining the going concern position of the Institute of Business Ethics and assess any assumptions used. Please use this link to access our detailed guidance.</p> <p>We will understand the processes trustees use in identifying and managing business risks.</p>
<p>Income recognition and completeness</p> <p>The majority of the charity’s income is from subscriptions. IBE has to ensure that subscriber numbers are maintained at a sufficient level to support its activity. These are treated as voluntary contributions made on a year by year basis. With no ongoing commitment and no obligation on companies to be subscribers, there is reduced certainty over the level of income that will be secured.</p> <p>IBE has other income from a number of sources including events and publications. We will consider whether your income is restricted or unrestricted and ensure it has been recognised in the correct year. We are also required to check that income which has not been included in the accounts has</p>	<p>We will review the recognition of subscription income within the accounting period, including ensuring that amounts included within debtors are receivable and relate to the correct period.</p> <p>We will also test a sample of other funding agreements to ensure income is recognised in the right period, is complete and correctly classified.</p>

Audit risk	Audit approach
<p>been correctly treated. As income recognition under the SORP is complicated, there is a risk of misstatement.</p>	
<p>Staff costs Staff costs the most significant item of expenditure incurred by the charity, and any error could potentially have a material impact on the accounts.</p>	<p>We will review your systems and processes for accounting for staff expenditure.</p> <p>We will review the reconciliation between the payroll system and the accounts to ensure staff costs are accurate and complete.</p> <p>For a sample of staff, we will agree salaries paid in the year to supporting documentation such as contracts.</p>
<p>Risk that procedures will not be followed We are required to consider whether it is possible for a manager or trustee to use their status and authority in a way that undermines the purpose of the established internal controls. The auditing standards state that this is always a significant audit risk regardless of the size or type of charity. For example, a manager might backdate a contract to bring it into a financial year to make the results match expectations.</p>	<p>During our audit testing, we sample test transactions to supporting documentation, review the timing or 'cut-off' of transactions at the financial year end, including looking with the benefit of hindsight at the reversal of transactions in the next financial year, and we look at any accounting estimates that have been made by managers.</p> <p>When looking at accounting estimates, we consider the level of judgement that managers and trustees have used and ensure that we understand the basis of any assumptions that underpin the estimate.</p>

Appendix D – Contact details

Engagement partner

Joanna Pittman

Joanna.Pittman@sayervincent.co.uk

Audit manager

Laura Brown

Laura.Brown@sayervincent.co.uk

Sayer Vincent LLP

Chartered accountants and statutory auditor

Limited liability partnership registered in England and Wales OC390403

Registered office

110 Golden Lane

LONDON

EC1Y 0TG

020 7841 6360

info@sayervincent.co.uk

www.sayervincent.co.uk



[@sayervincent](https://twitter.com/sayervincent)



Join our LinkedIn group: [Charity Financial Leadership](#)

INSTITUTE OF BUSINESS ETHICS

England & Wales - Charity number 1180741

Accounts



Institute of
Business Ethics

Registered Charity Number: 1180741 and Company Number 11594672

**ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR
THE YEAR ENDED 31 December 2022**

About the Institute of Business Ethics

The Institute of Business Ethics (IBE) is a company limited by guarantee; it does not have share capital and is a registered charity, established in 1986. It is a not-for-profit organisation funded primarily by corporate, associate, and individual supporters.

The directors, who are IBE Trustees and constitute the members of the Charity, present the Directors' and Trustees' Report and the audited financial Statements for the year ended 31 December 2022.

The Board of Trustees is, for company law purposes, also the Board of Directors and has ultimate responsibility for the Charity's activities. It exercises its powers through the Director.

The charitable aim of the IBE is to "to advance public education in business ethics", through leading the dissemination of knowledge and good practice.

To this end, the Institute assists organisations in building and strengthening their ethical culture, engaging with organisations in a wide variety of sectors, to discuss important ethical issues, and use their practical experience and knowledge to better establish and disseminate improved standards and best practice.

IBE Purpose:

To champion the highest standards of ethical behaviour in business

Public Benefit

The Board of Trustees has due regard of the Charities Act 2011 and the Charity Commission guidance on public benefit, in particular the requirement that public benefit can no longer be presumed but must be demonstrated, with specific attention to ensuring our services benefit society to advance and champion the highest standards of ethical behavior. This aligns with our stated charitable aims and objectives.

The IBE continues to operate as a not-for-profit organisation, ensuring that the funds we receive from our Supporters are put to best use through education, thought leadership and debate about business ethics.

We are substantially dependent on our Supporters for our income and for the public benefit of our work and are enormously grateful for their continued support.

Strategy

In 2020 the IBE's Board of Trustees approved a 5-year strategic plan which sets the tone and foundations for a new strategy, establishing a base for future growth. The strategy redefined our objectives, setting new targets, reinvigorating our message, and developing our programme to meet the new challenges ahead.

The strategic objectives are:

- Build our profile and enhance our 'go to' brand.
- Engage more supporters, diversify our supporter base, and augment our services.
- Expand our training and the scope of our webinars.
- Initiate new thought-leadership and seek to engage our supporters more effectively to expand our research and knowledge base.
- More effectively market our range of services and products to both supporters and non-supporters.

REPORT OF THE TRUSTEES

Message from the Chair

Even a cursory glance at the stories in the news reminds us of just how many organisations are facing ethical lapses. From sexual harassment, discrimination, bullying and other manifestations of toxic workplace cultures; to fraud, bribery and corruption, and insider trading. We would argue that environmental disasters involving negligence or recklessness, are also examples of poor business ethics. Equally, there are no shortages of new topics for ethics practitioners in business to get to grips with, from the ethics of Artificial Intelligence, to how to do corporate advocacy ethically.

The Institute of Business Ethics has been championing ethical business behaviour for almost forty years. Arguably, the need for centres of excellence and practical insights like the IBE has never been greater than in today's globally connected, 24/7 society where everything is ultimately for the record.

On behalf of the IBE board, I am pleased to share this report of our work during 2022. Like many employers after the pandemic, the Institute had its challenges with staff turnover. Like other charities heavily dependent on corporate funding, the Cost-of-Living Crisis is impacting us. The board is pleased, however, to be able to report a welcome growth in the amount of advisory work accomplished during the year, which offset some fall off in supporters' donations.

We also raised our profile further, with a number of timely reports like *Attitudes of the British Public to Business Ethics 2022* and "Ethics: the missing E in ESG investing?" The latter was the result of a substantial piece of pro-bono work by Annabel Gillard, of our International Advisory Council. We are enormously grateful for Annabel's leadership of our "Ethics and ESG" work, which is continuing. We also completed our Good Practice Guide on *Measuring Ethical Culture*, which was published in January 2023. This was the result of intensive work by former staff colleagues Guen Dondé and Mark Chambers and finalised by Rachael Saunders and Chris Cowton.

Research and thought leadership are what guides our work, and improved engagement has fueled the increase in requests for our advisory services. The results of which not only aids and guides our supporters in ethical behaviour, but also enables us to generate more income, allowing us to do more. We aim to intensify this "virtuous circle" and further diversify our sources of funding. In 2023, we will be producing "Principles" for the effective running of a specialist Ethics function and in particular, how company boards can ensure effective oversight of ethical culture and behaviours.

As more and more business leaders recognise that businesses have a critical role in finding profitable solutions to the problems of people and planet and not to profit from causing harm; and as younger employees, in particular, want to work for employers with whose values they can empathise and whose purpose they can relate to, the opportunities for promoting ethical business behaviour have never been greater. During 2023, we want to tap into the insights and ideas of future business leaders, with a "Next Generation" project on how younger people think of business ethics and what goes into making ethical business behaviours. As a small organisation with limited resources, the Institute needs to become ever smarter at building alliances and collaborating with like-minded networks, to get our core messages across to many more businesspeople both in the UK and internationally.

Just what are our core messages? Our fundamental belief is that ultimately, it is the responsibility of boards and senior management teams to set the tone: how they want employees to treat their co-workers, customers, suppliers, competitors, and neighbours. This is best expressed in a Code of Ethics, which must be regularly reviewed and updated. Codes alone, however, can be a false insurance. They have to be brought to life, through ongoing socialisation. New employees need to be inducted in corporate values and how they are expected to behave. Leaders at all levels need to "walk the talk" and regularly talk about desired behaviours and dealing with ethical dilemmas. Having a simple tool for taking ethical decisions can help – as long as employees know about this and understand how to use it.

Ethical behaviour should be at the heart of the desired and the actual culture of a business – whatever the size of that business. Crucially, they need to reinforce and be reinforced by corporate purpose and values.

If these messages resonate, please join with the Institute of Business Ethics in promoting them more widely.

My thanks, as ever, to the small, but very hard-working and dedicated staff team and to fellow trustees and our other volunteers – and, above all to our supporters – without you, the IBE would not exist!

David Grayson CBE
July 2023

Activities of the Institute of Business Ethics

The Board of Trustees present their report and the audited financial statements for the year ended 31 December 2022.

The IBE provides specialist advisory and training services, and delivers an extensive programme of research, surveys, and publications to inform business and the public in relation to business ethics. Much information is made freely available through our website, but it is our Supporters that have the most influence on the IBE's priorities and work programmes and, most importantly, they enjoy the significant advantages that come from participation in our unique Supporter networks.

Engagement with our supporters

The IBE's work is funded by corporate and individual supporters. Through their donations, the Institute is able to realise its purpose.

Our supporters join a community of individuals and organisations committed to promoting the highest standards of business conduct based on ethical values. Our work is informed and shaped by engagement with our supporters and the insight this provides us. Our ongoing programme of engagement meetings has proved successful and informative for both the IBE and its supporters and has led to further interest and commissioned work.

It is important to our mission that we achieve a broad focus. To achieve this, we seek to engage with those at board and senior leadership level, as well as with the organisations' ethics and compliance practitioners, thereby increasing our effectiveness in creating a positive influence throughout the corporate world.



Through our Supporter-only networks, roundtables, and workshops:

- we connect businesses and ethics professionals working in similar fields and facing similar challenges, for industry and issue-specific confidential networking events, to identify emerging trends and share best practices,
- we provide a neutral, safe space to allow Chatham House Rule dialogue with industry peers and experts on the ethical dilemmas that businesses face.

Supporters' Forum

Our annual Supporters' Forum is an opportunity for IBE supporters to meet and hear about the IBE's work and provide input to our plans for the forthcoming year. This annual meeting is key to helping the IBE ensure that it is responsive to the latest developments in business ethics and thereby meeting the needs of our Supporters.

Business Ethics Network

Key to engagement with our supporters is our Business Ethics Network (BEN). It provides a confidential forum for the sharing of both good practice and any challenges faced in implementing an effective ethics programme. BEN members also contribute significantly to the IBE's work programme by informing and influencing our priorities for future discussions and research. BEN meetings take place on a monthly basis.

Ethics Leaders Roundtables

Since its inception in 2021, the ethics leaders roundtable meetings have had significant impact on the work of the IBE. Specific to the leaders of ethics functions to exchange views on the latest developments with a strategic focus, these small group discussions facilitate a greater depth of exchange.

Sector Groups

In order to address concerns relevant to specific areas of business, we host a number of sector groups. These include Professional Bodies (ProfBEN), Defence Practitioners (DPG), and the Utilities Sector (USG). These groups are for those responsible for ethics within their organisation to meet and explore specific ethical challenges in their sector, with the IBE providing research and producing briefings for discussion.

Two further groups comprise the **Bank Culture Chairs Group** (BCCG) being the Non-Executive Chairs of the committees looking at ethics and culture of six leading UK banks; and **Professionals against Corruption** (PaC), a group of professional services firms from the legal, accountancy and real estate sectors, committed to work together on the anti-money laundering and anti-corruption agenda.

The IBE provides the independent chair and secretariat for BCCG, and the secretariat and advisory services to support PaC.

Advisory Services and Training

As an independent not-for-profit organisation, our unique and pragmatic perspective allows us to work with organisations as a critical friend. Our advisory services are a means of ensuring we remain both current in our understanding of the shifts in the nature of ethical challenges in fast-evolving workplaces, and as a means of sharing expertise and good practice with others.

In addition, advisory work is an important means of diversifying our income sources. Assignments undertaken during 2022 included a multinational automobile organisation, international auditors, and a multinational oil and gas company.

Training

The IBE has a long tradition and a strong belief in training. We provide both public training courses and workshops and corporate in-house training, offering bespoke training sessions to all levels of staff, from boards and senior management to operational personnel.

All our various training services have been adjusted to provide them online and face-to-face training where circumstances have allowed.

Products

We provide a range of practical and easy to use toolkits which can be customised to the needs of the individual organisation. These include:

Say No Toolkit

A web-based product and app decision-making tool, designed to help organisations support their employees to make the right decision when faced with difficult situations such as whether to accept a gift or hospitality, a facilitation payment, or when faced with a conflict of interest.

Speak Up Toolkit

This app helps employees prepare themselves to raise a concern at work. It answers questions about the entire process – from noticing a problem and having a conversation through to what to expect if you call a Speak Up helpline or if your concern is investigated.

Business Ethics Toolkit

This toolkit provides a guide for business owners, chief executives or managers seeking to make their ethical values explicit, and to protect their business against ethical lapses. It suggests a simple, affordable approach to design an ethics framework, and it is intended to be particularly useful to small and medium sized businesses, start-ups, and growth companies.

Research & Thought leadership

Our research provides the foundation for our thought-leadership and our advisory services. We focus on topics with practical application and seek to support business through the promotion of the latest solutions and ideas. We have moved to publishing all our work on our website, which includes Attitudes of the British Public to Business Ethics, published in January and June, Business Ethics in the news 2022 and Ethics: the missing E in ESG investing?

Website

Having extensively revamped and made it more user-friendly and easier to navigate, we have continued to feature **weekly blogs** where IBE staff, trustees, supporters and invited guests contribute to topical ethical debates. These blogs engender comment and debate on ethical culture and reviews of ethics-related books.

Events

IBE events are typically provided free of charge. Most discussions and publication launches are open to the public and are advertised on our website. Alongside these, the IBE runs a series of private discussions and workshops available to corporate supporters only.

All our events were online, with recordings of our webinars made available as a free resource on our website and via YouTube to further the Institute's public and geographic outreach.

During 2022 we hosted:

- 12 public webinars with an overall total of 656 attendees.
- European Business Ethics Forum (jointly with French and US partners) with 85 paid registrants
- Our summer event at Asia House with over 50 attendees at our first face to face event since lockdown.
- Our annual Supporter Forum

Business Ethics in Education

A core part of IBE's mission is the education of the next generation of business leaders in business schools and universities, sensitising them to the importance of ethical business practice and ethical issues.

Advocacy

The IBE provides advice to policy makers in government, supports corporate governance consultations and reviews, and is an advocate for ethical business practice.

The Trustees, Directors and staff make presentations and speak at conferences nationally and internationally advocating good business practice and offer the media and others an informed opinion and advice on current issues and good practice.

We also support the following groups:

- FRC Stakeholder Insight Group
- CISI Integrity Committee

- UCL Ethics & Law Advisory Committee
- PRCA Ethics Council

We also contributed to the Anthropy initiative which resulted in a major conference at the Eden Project in November 2022.

Structure, Governance and Management

The Institute of Business Ethics is an incorporated charity, re-registered with the Charity Commission on 1 April 2019, as a Company limited by Guarantee. It is governed by a Memorandum and Articles, dated September 2018.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the financial statements and comply with the charity's Articles, applicable law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Board of Trustees

The Board of Trustees are responsible for the overall strategic direction of the Institute, ensuring that the IBE abides by its charitable aim, works within the law, and delivers its mission effectively. The Trustees are led by the Chair of the board.

Trustees serve a maximum of three three-year terms and meet at least quarterly.

Trustee vacancies are advertised when there is a particular skills gap and when a term of office comes to an end within the overall membership of the Board of Trustees. New Trustee positions are advertised, and applicants are interviewed by the Nominations Committee. Appointments are ratified by the whole Trustee body. Trustee induction is held at the start of the term and training is provided, as and when identified by the Chair and/or other trustees. All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 5 to the accounts.

Decision-making

The Trustees reserve the following decisions to themselves:

- Setting the strategy for the Charity.
- Approval of capital expenditure items of £10,000 or more
- Approval of the annual operating plan and budget, including the staff plan
- Approval of annual remuneration of staff and any termination or redundancy packages
- Approval of contracts and policies not in the ordinary course of affairs
- All Director level appointments
- Approval of the IBE's code of ethics
- Appointments of Trustees and Advisory Council members
- Approval of the Annual Report and Accounts
- Approval of reserves and investment policies
- Appointment of the Auditor

The Trustees delegate the following decisions to the Director:

- Hiring of staff within the staff plan
- Capital expenditure up to £5,000 with reference to the Chair and Treasurer on sums between £5,000 and £10,000
- Day-to-day operational decisions in relation to the delivery of the budget and strategic plan.

International Advisory Council

The Advisory Council members, who include the President and the Vice Presidents, provide the IBE with advice and guidance on its work programme, thought leadership and strategy. They are invited to attend bi-annual meetings and receive copies of the Director's reports and the IBE's

events programmes and publications. In addition, The President and the Vice Presidents receive copies of the Trustees' meeting minutes. The Advisory Council does not form part of the Institute's formal governance structure.

Funding

The IBE receives financial support from corporate supporters, individuals, associations, and trusts. The Institute also generates income from the provision of advisory services, training courses, project funding, the sale of publications and products and events.

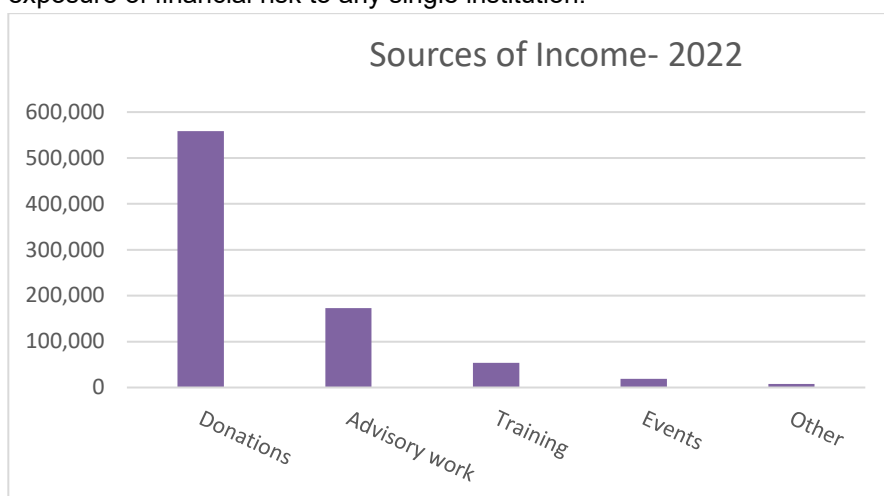
Change to charitable Activities for 2022

In 2022, a new structure for allocating costs was adopted, with more focus on identifying activities undertaken by the charity.

- Expenditure on charitable activities includes the costs of delivering advisory services, undertaking research, and providing training courses and events on ethical matters. Charitable activities also include outreach to supporters and users via engagement, publications, and meetings
- The Admin & IT and other costs represents those items not falling into any other heading

Sources of income

Through their donations, IBE supporters help to promote ethical business practice. They are encouraged to engage with us via events, publications, advice, and other services that the IBE provides. Diversification of cash funds and investments is regularly reviewed in order to reduce exposure of financial risk to any single institution.



Reserves & going concern

The income of the Institute of Business Ethics depends mainly on donations from companies, which can fluctuate from year to year. Any reduction in these can have a considerable impact on income. In addition, the Institute initiates and incurs costs for projects that may or may not generate equivalent revenue.

The Trustees regularly review the organisation's reserves policy and following board approval, the following policy has been put in place based on the following principles:

- Provide adequate working capital to cover the usual cash flow variability.
- To cover unforeseen financial difficulties, and so allow time should income unexpectedly fall off or, unplanned expenditure be incurred for the Board and management to take remedial action.

These two provide our normal operational reserves.

- We may also wish to hold additional 'earmarked' reserves – designated funds within our unrestricted reserves – so as to be able to make strategic investments in future.

When we receive income subject to specific stipulations which is unspent at the end of the financial year, the balance will be carried forward as restricted reserves, signaling they are not available for general purposes.

On working capital, a review shows we need a minimum of some £60,000 to cover routine operations for a 3-month period. This can be expected to rise if the trend to slow payment by supporters accelerates or if the balance of our work shifts away from annual donations, for example towards advisory services paid on completion. Based on 2022 numbers, three months of fixed costs (salaries and essentials) equates to £146,004.

Based on these calculations, the Board decided that for 2022 we should hold a minimum of £300,000 in reserves. The IBE met this policy during the reporting period and continues to do so. However, the Board and management continue to monitor closely the level of reserves alongside income and expenditure.

As of 31 December 2022, total reserves were £489,043, of which unrestricted free reserves were £453,503. Note 15b of the accompanying accounts explains our future plans to disburse the restricted and designated funds held in reserve.

In reviewing our business and financial plans for the coming year, the trustees took account of possible outcomes should our supporter renewal rates decline, and the flexibility we have within our cost budget to offset any income shortfall.

In July 2023 trustees discussed the specific areas around our viability as a going concern, considering the Future Funding paper, and any anticipated risk to our operations. The trustees believe the charity will have sufficient resources to meet its liabilities as they fall due. As such, they remain satisfied that the charity can continue operating for the foreseeable future and these accounts have been prepared on a going concern basis.

Investment policy

Investments are stated at market value. The Trustees consider social, ethical, and environmental considerations when deciding where the Institute's funds are invested.

Remuneration policy

IBE is committed to ensuring that we pay our staff fairly, and in a way that ensures we attract and retain the right skills to have the greatest impact in delivering our charitable objectives.

Following recommendations from the Remuneration Committee (established in 2020), the Board of Trustees approve the annual percentage increase in the payroll for all staff in November, for the following salary year beginning in January, considering RPI as of 30 September of the current year. This also includes any non-consolidated pay awards and staff salary increases outside of the annual review process as recommended from time to time by the Director.

The appropriateness and relevance of the remuneration policy is reviewed annually by the Director, who is entrusted to ensure that the review includes reference to comparisons with other relevant organization's, ensuring IBE remains sensitive to the broader issues e.g., pay and employment conditions, meets all national pay standards, and provides all paid staff with a living wage. Salaries are benchmarked against similar roles within like-minded charities, the Charity Salary Survey, and other comparable roles.

The Director reviews all staff pay levels annually, and new proposals are put to the Board of Trustees for review and approval. The Director is in attendance for the meeting but leaves for any discussion regarding their own remuneration.

Pension policy

The IBE has adhered to the Auto-Enrolment Scheme, all employees are automatically enrolled in the company pension scheme and new employees will be automatically enrolled in the National

Employment Savings Trust (NEST) in accordance with the company's obligations under the Pensions Act 2008.

Risk management

The risk register was revised and simplified, with the Director and executive team having identified 8 areas of risk. This was endorsed by the Board and is now reviewed at each Board meeting, with an ongoing commitment to managing those risks.

<u>Governance</u>	Failure to govern the institute in accordance with its objectives and external regulatory requirements
<u>People</u>	Failure to ensure right skills and resources to deliver objectives
<u>Relevance</u>	Failure to maintain relevance to business leading to loss of support and income
<u>Profile</u>	Failure to maintain profile and promote the IBE
<u>Finance</u>	Failure to maintain effective financial controls leads to financial loss
<u>Compliance</u>	Failure to comply with all legal and regulatory obligations
<u>IT</u>	Failure to maintain / upgrade IT systems and security
<u>External</u>	Failure to anticipate crisis

IBE Code of Ethics

The IBE has a Code of Ethics for all staff and Trustees, which is published on the website. It was reviewed and updated in 2021, next review scheduled for 2024.

Our values: We are

Respectful – we respect the diversity of thought and perspectives offered by others. We are inclusive and treat others as they would want to be treated (consistent with ethical values).

Collaborative – we work as one team, empowering and supporting each other to achieve high quality results.

Trustworthy – we act with integrity, building strong relationships based on openness and honesty.

Courageous – we stand up for what's right, take managed risks and learn from experience when things go wrong.

Entrepreneurial – we are dynamic and innovative, seeking to achieve high performance, impact and growth to further the IBE's purpose.

Customer Focused – we treat our customers as partners and look to create powerful relationships based on professionalism, relevance, and subject-matter expertise.

In order to mitigate reputation risk and avoid potential conflicts of interest, the Trustees have a Register of Interests of Trustees for internal use. This is completed by new Trustees on appointment and reviewed annually.

Annual review of board effectiveness

The Chairman conducts 1:1 interviews with each trustee at the end of the year, collated feedback and a paper is presented to the first board meeting of the following year.

Statement of Trustees' Responsibilities

The board of trustees, who are also directors of Institute of Business Ethics for the purposes of company law, are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these 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
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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 auditor is unaware.
- 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 auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at Year End was 2022=10. The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity. The trustees who served during the year, and their pattern of attendance at board meetings, are shown in the table below.

Trustee	19 Jan- additional meeting	29-Mar	29-Jul	29-Sep	7-Dec
David Grayson (Chair)	✓	✓	✓	✓	✓
Mike Tuffrey (Treasurer)	✓	✓	✓	✓	✓
Loree Gourley (Vice-Chair)	✓	x	x	✓	x
Ian Dyson	✓	✓	x	✓	✓
Cristina Cortes	✓	✓	x	x	✓
Loren Shuster	✓	✓	✓	✓	✓
Yetunde Hofmann	x	✓	✓	x	✓
Tim Langton	x	✓	✓	✓	x
Louise Terry	✓	✓	✓	✓	✓
Jason Engelbrecht	✓	✓	x	✓	✓

Trustees:

- ❖ David Grayson, CBE – Chair
- ❖ Mike Tuffrey - Treasurer
- ❖ Cristina Cortes
- ❖ Ian Dyson QPM
- ❖ Jason Engelbrecht
- ❖ Loree Gourley – Vice Chair
- ❖ Yetunde Hofmann
- ❖ Tim Langton
- ❖ Loren Shuster
- ❖ Louise Terry

International Advisory Council:

- ❖ Sir Tim Melville-Ross KBE – President
- ❖ Ian Barlow – Vice President
- ❖ Ram Gidoomal CBE – Vice President
- ❖ Simon Thompson – Vice President
- ❖ Sir Robert Worcester KBE DL – Honorary Vice President
- ❖ Iain Anderson
- ❖ Sir Brendan Barber
- ❖ Sir Douglas Flint CBE
- ❖ Annabel Gillard
- ❖ Dr Peter Harper
- ❖ David Jackson
- ❖ Rachel Lomax
- ❖ John Williams
- ❖ Sir Mark Moody Stuart
- ❖ Chris Moorhouse
- ❖ Ruth Rawling
- ❖ Barbara Ridpath

- ❖ Robert Smith
- ❖ Professor Laura Spence
- ❖ Sir Kevin Tebbit KCB CMG

Auditors

Sayer Vincent were re-appointed as the charity's auditors during the year and have expressed their willingness to act in that capacity.

The accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime. The trustees' annual report has been approved by the trustees on 5 July 2023 and signed on their behalf by

David Grayson, CBE
Chair of Trustees

Independent auditor's report

To the members of

Institute of Business Ethics

Opinion

We have audited the financial statements of Institute of Business Ethics (the 'charitable company') for the year ended 31 December 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Institute of Business Ethics' 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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

Independent auditor's report

To the members of

Institute of Business Ethics

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 trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which 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 directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

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

Independent auditor's report

To the members of

Institute of Business Ethics

Auditor's 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud.
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Independent auditor's report

To the members of

Institute of Business Ethics

- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Joanna Pittman (Senior statutory auditor)
14 July 2023
for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Statement of financial activities (incorporating income and expenditure account)

For the year ended 31 December 2022

	Note	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Income from:							
Donations and legacies	2	558,568	-	558,568	588,376	72,047	660,423
Charitable activities							
Advisory services		173,063	-	173,063	71,050	-	71,050
Training & Events		89,347	-	89,347	85,491	-	85,491
Marketing, Comms & Publs		1,260	-	1,260	3,210	-	3,210
Other		6,507	-	6,507	4,372	-	4,372
Total income		828,745	-	828,745	752,499	72,047	824,546
Expenditure on:							
Raising funds	3a	84,272	-	84,272	72,253	-	72,253
Charitable activities							
Advisory services	3a	161,698	-	161,698	164,527	-	164,527
Research	3a	80,393	-	80,393	73,128	-	73,128
Training & Events	3a	96,953	-	96,953	124,818	-	124,818
Marketing, Comms & Publs	3a	189,309	1,009	190,318	156,476	67,625	224,101
Supporter Engagement	3a	107,842	-	107,842	129,834	-	129,834
Total expenditure		720,467	1,009	721,476	721,036	67,625	788,661
Net income / (expenditure) before net gains on investments		108,278	(1,009)	107,269	31,463	4,422	35,885
Net gains on investments	10	(3,149)	-	(3,149)	(1,143)	-	(1,143)
Net income / (expenditure) before other recognised gains and losses	4	105,129	(1,009)	104,120	30,320	4,422	34,742
Gains / (losses) on foreign exchange		926	-	926	(1,554)	-	(1,554)
Net movement in funds		106,055	(1,009)	105,046	28,766	4,422	33,188
Reconciliation of funds:							
Total funds brought forward		373,921	10,076	383,997	345,155	5,654	350,809
Total funds carried forward		479,976	9,067	489,043	373,921	10,076	383,997

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. All movements in funds are disclosed above. There has been a change in the charitable activities in this year which is reflected in this year's figures and the previous year's accounts.

Balance sheet

Company number 11594672

As at 31 December 2022

	Note	£	2022 £	£	2021 £
Fixed assets:					
Tangible assets	9		7,810		3,089
Intangible assets	9		13,267		26,078
Investments	10		26,522		29,671
			<u>47,599</u>		<u>58,838</u>
Current assets:					
Debtors	11	13,135		38,655	
Cash at bank and in hand		599,547		487,351	
		<u>612,682</u>		<u>526,006</u>	
Liabilities:					
Creditors: amounts falling due within one year	12	171,238		200,848	
		<u>171,238</u>		<u>200,848</u>	
Net current assets			<u>441,444</u>		<u>325,158</u>
Total net assets			<u>489,043</u>		<u>383,996</u>
The funds of the charity:					
Unrestricted income funds:					
Designated funds	15a	26,473		43,309	
General funds		453,503		330,611	
		<u>480,000</u>		<u>373,920</u>	
Total unrestricted funds			479,976		373,920
Restricted funds	15a		9,067		10,076
			<u>9,067</u>		<u>10,076</u>
Total charity funds			<u>489,043</u>		<u>383,996</u>

Approved by the trustees on 5 July 2023 and signed on their behalf by

David Grayson, CBE
Chair

Statement of cash flows

For the year ended 31 December 2022

	2022		2021	
	£	£	£	£
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	104,120		34,741	
Loss on investments	3,149		1,143	
Depreciation and amortisation	14,890		14,760	
Decrease / (Increase) in debtors	25,520		(5,641)	
(Decrease) / Increase in creditors	(29,610)		(20,364)	
	<u>118,069</u>		<u>24,639</u>	
Net cash used in operating activities		118,069		24,639
Cash flows from investing activities:				
Purchase of fixed assets	(6,799)		-	
	<u>(6,799)</u>		<u>-</u>	
Net cash used in investing activities		(6,799)		-
Change in cash and cash equivalents in the period		111,270		24,639
Cash and cash equivalents on transfer of funds / start of period		487,351		464,266
Change in cash and cash equivalents due to foreign exchange		926		(1,554)
		<u>599,547</u>		<u>487,351</u>
Cash and cash equivalents at the end of the period		<u><u>599,547</u></u>		<u><u>487,351</u></u>
Analysis of cash and cash equivalents				
	At 1 January 2022	Cash flows	Other changes	At 31 December 2022
	£	£	£	£
Cash in hand	487,351	111,270	926	599,547
Total cash and cash equivalents	<u>487,351</u>	<u>111,270</u>	<u>926</u>	<u>599,547</u>

1 Accounting policies

a) Statutory information

Institute of Business Ethics is a charitable company limited by guarantee and is incorporated in England and Wales on 28 September 2018.

The registered office address and principal place of business is 24 Greencoat Place, London, SW1P 1BE.

b) Basis of preparation

The financial statements have been prepared in accordance with 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) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Expenditure and irrecoverable VAT

In 2022, a new structure for allocating costs was adopted, with more focus on identifying activities undertaken by the charity:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering advisory services, undertaking research and providing training courses and events on ethical matters. Charitable activities also include outreach to supporters and users via engagement, publications and meetings
- The Admin & IT and other costs represents those items not falling into any other heading

Irrecoverable VAT is charged to the accounts in the same proportion as staff costs. In the 2022 accounts, the charge back to accounts was made using the 2021 staff costs profile.

i) Allocation of support and governance costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

	Staff costs	Office support
<input type="checkbox"/> Cost of raising funds	9%	13%
<input type="checkbox"/> Advisory Services	16%	23%
<input type="checkbox"/> Research	9%	13%
<input type="checkbox"/> Training & Events	9%	13%
<input type="checkbox"/> Marketing, Webs & Publications	15%	22%
<input type="checkbox"/> Supporter engagement	11%	16%
<input type="checkbox"/> Admin, IT and other support costs	31%	

j) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease. The rental lease ended on 31 July 2022, and IBE staff now work remotely.

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Full details are given in the financial instruments note.

p) Pensions

The charity operates a defined contribution scheme, whereby it will put in a contribution of 5% of an employee's gross salary. Pension contributions are paid monthly in arrears, and can commence once the employee has completed the standard 3 month probationary period. There is no obligation for any employee to join the scheme and the charity has no further obligations once payments have been made.

q) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rate in use is 4 years.

r) Intangible assets

The new IBE website, developed in 2020 went live on 13 January 2021. All installation and development costs have been classed as intangible assets. Support costs, website hosting and domain name costs are considered to be normal running costs and will be expensed in the period they are incurred.

Amortization is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The amortization rate in use is 4 years.

2 Income from donations and legacies

	2022	2021
	Total	Total
	£	£
Corporate subscriptions	556,518	583,211
Individual subscriptions	2,050	5,165
Ethics @ Work 21 donations - restricted fund	-	72,047
	558,568	660,423

Institute of Business Ethics

Notes to the financial statements

For the year ended 31 December 2022

3a Analysis of expenditure (current period)

	Charitable activities							2022 £
	Cost of raising funds	Advisory Services £	Research £	Training & Events £	Marketing, Comms & Publications £	Supporter Engagement & Recruitment £	Admin, IT, Governance, Support costs £	
Staff costs (Note 5)	50,074	100,733	44,011	35,572	73,933	61,828	148,473	514,624
Other staff costs	-	-	-	-	960	-	-	960
Direct expense	-	168	2,183	7,868	57,419	2,430	-	70,068
Events - EBEF	-	-	-	19,315	-	-	-	19,315
PaC expense	-	-	-	-	-	1,786	-	1,786
Ethics at Work 2021	-	-	-	-	1,009	-	-	1,009
Office & IT support costs	8,092	14,387	8,093	8,092	13,487	9,890	27,874	89,915
Professional fees & insurance	2,142	3,808	2,142	2,142	3,570	2,618	7,377	23,799
	60,308	119,096	56,429	72,989	150,378	78,552	183,724	721,476
Admin, IT and office support	23,964	42,602	23,964	23,964	39,940	29,290	(183,724)	-
Total expenditure 2022	84,272	161,698	80,393	96,953	190,318	107,842	-	721,476

Institute of Business Ethics

Notes to the financial statements

For the year ended 31 December 2022

3b REVISED Analysis of expenditure (prior period)

	Charitable activities							2021 £
	Cost of raising funds	Advisory Services £	Research £	Training & Events £	Marketing, Comms & Publications £	Supporter Engagement & Recruitment £	Admin, IT, Governance, Support costs £	
Staff costs (Note 5)	46,653	100,054	45,272	58,077	78,763	83,802	162,804	575,424
Direct expense	-	-	2,255	1,131	36,502	1,417	-	41,305
EBEF event	-	-	-	19,152	-	-	-	19,152
Ethics at Work 2021	-	-	-	-	57,635	-	-	57,635
PaC expense	-	-	-	-	-	1,000	-	1,000
Office & IT support costs	5,191	13,348	5,191	9,641	10,382	8,899	21,506	74,159
Professional fees & insurance	1,399	3,598	1,399	2,598	2,798	2,398	5,796	19,986
	53,243	117,000	54,117	90,599	186,080	97,516	190,106	788,661
Admin, IT and office support	19,010	47,527	19,011	34,219	38,021	32,318	(190,106)	-
Total expenditure 2021	72,253	164,527	73,128	124,818	224,101	129,834	-	788,661

There has been a change in the charitable activities in 2022 and this requires a re-statement of the 2021 accounts.

4 Net income for the period

This is stated after charging / crediting:

	2022	2021
	£	£
Operating lease rentals:		
Property	25,715	33,480
Other	11,553	12,193
Auditor's remuneration (excluding VAT):		
Audit	7,200	6,900
Foreign exchange gains or (losses)	926	(1,554)
	=====	=====

5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022	2021
	£	£
Salaries and wages	449,723	507,135
Social security costs	47,450	50,147
Employer's contribution to defined contribution pension schemes	17,451	18,142
	=====	=====
	514,624	575,424

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the accounting period between:

	2022	2021
	No.	No.
£70,000 - £79,999	1	-
£100,000 - £109,999	1	1
	=====	=====

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £237,131 (2021: £197,445).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the period. No charity trustee received payment for professional or other services supplied to the charity.

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2021: £nil) incurred by 0 members (2021: 0) relating to attendance at meetings of the trustees.

6 Staff numbers

The average number of employees (head count based on number of staff employed) during the accounting period was as follows:

	2022	2021
	No.	No.
Raising funds	0.9	0.9
Advisory Services	1.6	2.3
Training & Events	0.9	0.9
Research	0.8	1.7
Marketing/Comms & Publs	1.5	1.9
Supporter Engagement	1.1	1.6
Admin, IT & support	3.0	3.7
	9.8	13.0

The average number of employees (full time equivalents) during the accounting period was as follows:

	2022	2021
	No.	No.
Raising funds	0.7	0.7
Advisory Services	1.3	1.8
Training & Events	0.7	0.7
Research	0.7	1.3
Marketing/Comms & Publs	1.3	1.5
Supporter Engagement	0.9	1.2
Admin, IT & support	2.7	3.0
	8.3	10.2

7 Related party transactions

There are no donations from related parties to disclose for 2022 (2021: none) which are outside the normal course of business and no restricted donations from related parties.

8 Taxation

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

9 Fixed assets	Computers £	Total £
Cost - fixed		
At the start of the period	8,121	8,121
Additions in the period	6,799	6,799
At the end of the period	<u>14,920</u>	<u>14,920</u>
Depreciation		
At the start of the period	5,032	5,032
Charge for the period	2,078	2,078
At the end of the period	<u>7,110</u>	<u>7,110</u>
Net book value		
At the end of the period	<u>7,810</u>	<u>7,810</u>
At the start of the period	<u>3,089</u>	<u>3,089</u>
Cost - intangibles	Website £	Total £
At the start of the period	51,248	51,248
At the end of the period	<u>51,248</u>	<u>51,248</u>
Depreciation		
At the start of the period	25,169	25,169
Charge for the period	12,812	12,812
At the end of the period	<u>37,981</u>	<u>37,981</u>
Net book value		
At the end of the period	<u>13,267</u>	<u>13,267</u>
At the start of the period	<u>26,078</u>	<u>26,078</u>

All of the above assets are used for charitable purposes.

10 Listed investments measured through profit and loss

	2022 £	2021 £
Fair value at the start of the period	29,671	30,814
Net gain / (loss) on change in fair value	(3,149)	(1,143)
Fair value at the end of the period	<u>26,522</u>	<u>29,671</u>

Investments comprise:

	2022 £	2021 £
UK Common investment funds	26,522	29,671
	<u>26,522</u>	<u>29,671</u>

11 Debtors

	2022 £	2021 £
Trade debtors	6,616	17,475
Other debtors	161	-
Prepayments	6,296	4,981
Accrued income	62	16,199
	<u>13,135</u>	<u>38,655</u>

12 Creditors: amounts falling due within 12 months

	2022 £	2021 £
Sundry creditors	460	-
Taxation and social security	15,773	14,335
VAT	9,291	2,144
Accruals	29,411	24,376
Deferred income	116,303	159,993
	<u>171,238</u>	<u>200,848</u>

13 Deferred income

Deferred income comprises fees, corporate or individual subscriptions that have been paid in advance.

	2022 £	2021 £
Balance at the beginning of the period	159,993	158,003
Amount released to income in the period	(159,993)	(158,003)
Amount deferred in the period	116,303	159,993
Balance at the end of the period	<u>116,303</u>	<u>159,993</u>

14a Analysis of net assets between funds (current period)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible and intangible fixed assets	21,077	-	-	21,077
Net current assets	432,426	26,473	9,067	467,966
Net assets at 31 December 2022	453,503	26,473	9,067	489,043

14b Analysis of net assets between funds (prior period)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible and intangible fixed assets	29,167	-	-	29,167
Net current assets	301,444	43,309	10,076	354,829
Net assets at 31 December 2021	330,611	43,309	10,076	383,996

15a Movements in funds (current period)

	At 1 January 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 December 2022 £
Restricted funds:					
Contributed Income, Research & Publication Fund	5,664	-	-	-	5,664
Ethics @ Work 2021	4,412	-	(1,009)	-	3,403
Total restricted funds	10,076	-	(1,009)	-	9,067
Unrestricted funds:					
Designated fund: Professionals against Corruption (PaC)	43,309	-	(1,786)	(15,050)	26,473
General funds	330,612	828,745	(720,904)	15,050	453,503
Total funds	383,997	828,745	(723,699)	-	489,043

The narrative to explain the purpose of each fund is given at the foot of the note below.

15b Movements in funds (prior period)

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2021 £
Restricted funds:					
Contributed Income, Research & Publication Fund	5,654	-	10	-	5,664
Ethics @ Work 2021	-	72,047	(57,635)	(10,000)	4,412
Total restricted funds	5,654	72,047	(57,625)	(10,000)	10,076
Unrestricted funds:					
Designated fund: Professionals against Corruption (PaC)	57,909	-	(1,000)	(13,600)	43,309
General funds	287,246	752,499	(732,734)	23,600	330,611
Total unrestricted funds	350,809	824,546	(791,359)	-	383,996

Purposes of restricted funds

Contributed Income, Research & Publication Fund

This is a fund from a series of requested donations for the purpose of the IBE's Research and Publication work. It allowed the IBE to create more resources and freely disseminate them more widely. The monies collected so far will be spent by the end of 2023.

Ethics @ Work 2021 fund

This is a fund from a series of requested donations from major supporters to sponsor the research, collation of data and publication which is done every three years. These funds cover the costs of the outsourced research and publications. The surveys are conducted in a set amount of countries (usually determined by the organisation used to survey and their reach) and focused on the ethical behaviour of staff in larger companies (overall in excess of more than 10,000 employees).

Purposes of designated funds

Professionals against Corruption

A group of professional services firms have reached an agreement with the IBE, to work together on an anti-corruption and anti-money laundering agenda. The funds will be drawn down to facilitate research and projects connected to this agenda.

The £15,050 transfer of funds from general expense to PAC expense this year (note 15a) was due to staff resources used to complete a requested project from one of the PAC contributors.

16 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods. There are no property or equipment commitments outstanding at the end of 2022.

	Property		Equipment	
	2022	2021	2022	2021
	£	£	£	£
Less than 1 year	-	53,733	-	-
	-	53,733	-	-

INSTITUTE OF BUSINESS ETHICS

England & Wales - Charity number 1180741

Accounts



Institute of
Business Ethics

Registered Charity Number: 1180741 and Company Number 11594672

**ANNUAL REPORT and FINANCIAL
STATEMENTS FOR
THE YEAR ENDED 31 December 2021**

About the Institute of Business Ethics

The Institute of Business Ethics was established in 1986, as a registered charity. It is a not-for-profit organisation funded primarily by corporate, associate and individual supporters.

The charitable aim of the IBE is to “to advance public education in business ethics”, through leading the dissemination of knowledge and good practice.

To this end, the Institute assists organisations in building and strengthening their ethical culture, engaging with organisations in a wide variety of sectors, to discuss important ethical issues, and use their practical experience and knowledge to better establish and disseminate improved standards and best practice.

IBE Purpose:

To champion the highest standards of ethical behaviour in business

Public Benefit

The Trustees refer to the Charity Commission's general guidance on public benefit when reviewing the Institute's aims and objectives and in planning our future activities. In particular, the Trustees consider how well our planned activities align with our stated charitable aims and objectives.

The IBE continues to operate as a not-for-profit organisation, ensuring that the funds we receive from our Supporters are put to best use through education, thought leadership and debate about business ethics. We are substantially dependent on our Supporters for our income and for the public benefit of our work and are enormously grateful for their continued support.

Status

The Institute of Business Ethics was founded in 1986 and registered as an unincorporated charity in December 2000. As of April 2019, the Institute of Business Ethics is a registered charity and a Company Limited by Guarantee.

Strategy

In December 2020 the IBE's Board of Trustees approved a 5-year strategic plan which set the tone and foundations for a bold new strategy, establishing a base for future growth. The strategy redefined our objectives, setting new targets, reinvigorating our message and developing our programme to meet the new challenges ahead.

The strategic objectives are:

- Build our profile and enhance our 'go to' brand
- Engage more supporters, diversify our supporter base, and augment our services
- Expand our training and the scope of our webinars
- Initiate new thought-leadership and seek to engage our supporters more effectively to expand our research and knowledge base.
- More effectively market our range of services and products to both supporters and non-supporters.

REPORT OF THE TRUSTEES

Message from the Chair

On behalf of the IBE board, I am pleased to share this report of the institute's work in 2021. Whenever I speak to outsiders about the IBE's work to promote the importance of doing business ethically, the response is typically some variations along the lines of "that's important! We need more of that!" We do! This is why as we start to build forward better after the pandemic and the massive dislocations of both economies and societies of the last two years, we want to persuade many more businesses to reflect on how they will create and maintain an ethical culture even as they adapt to changed patterns of work; new more hybrid forms of working; and more diverse workplaces. Based on our major *Ethics at Work* study and our separate reviews of innovations in embedding ethical behaviours and how far the Codes of Ethics of the FTSE 100 largest companies listed on the LSE during 2021 are fit for purpose, we now want boards and senior managements of businesses to do three things:

- Take the time to discuss and define the *desired* culture of their organisation in the future: how will it be different to pre-COVID19?
- Decide how the organisation will regularly measure the *actual* culture.
- Innovate in how the organisation empowers and engages all employees to behave ethically.

This could build positively on the challenges and forced innovations of the last two-plus years.

Whilst occurring since the calendar year under review, I would be very remiss if I did not note the passing of Elspeth Howe in March 2022. I had the privilege of knowing and working with her at *Business in the Community* back in the 1980s and 1990s. She was then and remained a tireless champion for equality: what we now call Diversity, Equity and Inclusion. Whilst illness and advancing years prevented her from being active in our advisory council recently, she was a loyal, long-term supporter of the IBE's work – and a determined campaigner. RIP.

At the end of 2021, our long-serving Research director Simon Webley retired after more than 20 years of dedicated service. We wish him well in his "retirement" which typically will include some volunteering for the IBE!

I would like to thank Ian Peters and all the hard working staff of IBE for their continuing commitment and creativity. Please continue to punch even more above your weight! Thank you to fellow trustees and to Sir Tim Melville-Ross and our advisory council; and above all, thank you to our corporate supporters – without you, there is no IBE. Please help us to attract more supporters so that we can have "more ethical business. More IBE!"

Professor David Grayson CBE

June 2022

Activities of the Institute of Business Ethics

The Trustees present their report and the audited financial statements for the year ended 31 December 2021.

The IBE provides specialist advisory and training services, and delivers an extensive programme of research, surveys and publications to inform business and the public in relation to business ethics. Much information is made freely available through our website, but it is our Supporters that have the most influence on the IBE's priorities and work programmes and, most importantly, they enjoy the significant advantages that come from participation in our unique Supporter networks.

Engagement with our supporters

The IBE's work is funded by corporate and individual supporters. Through their donations, the Institute is able to realise its purpose.

Our supporters join a community of individuals and organisations committed to promoting the highest standards of business conduct based on ethical values. Our work is informed and shaped by engagement with our supporters and the insight this provides us. Our ongoing programme of engagement meetings, where the IBE's Director meets with the Ethics leaders of Supporter firms to keep up-to-date with current issues has proved successful, informative for both parties and has led to further interest and commissioned work.

It is important to our mission that we achieve a broad focus. To achieve this, we seek to engage with those at board and senior leadership level, as well as with the organisations' ethics and compliance practitioners thereby increasing our effectiveness in creating a positive influence throughout the corporate world.

Through our Supporter-only networks, round-tables and workshops:

- we connect businesses and ethics professionals working in similar fields and facing similar challenges, for industry and issue-specific confidential networking events to identify emerging trends and share best practices
- we provide a neutral, safe space to allow Chatham House Rule dialogue with industry peers and experts on the ethical dilemmas that businesses face.

Supporters' Forum

Our annual Supporters' Forum is an opportunity for IBE supporters to meet and hear about the IBE's work and provide input to our plans for the forthcoming year. This annual meeting is key to helping the IBE ensure that it is responsive to the latest developments in business ethics and thereby meeting the needs of our Supporters.

Business Ethics Network

Key to engagement with our supporters is our Business Ethics Network (BEN). It provides a confidential forum for the sharing of both good practice and any challenges faced in implementing an effective ethics programme. BEN members also contribute significantly to the

IBE's work programme by informing and influencing our priorities for future discussions and research. BEN meetings were increased to monthly during 2021.

Ethics Leaders Roundtables

2021 saw the launch of a new forum for the leaders of ethics functions to exchange views on the latest developments with a strategic focus. These are small group discussions to facilitate a greater depth of exchange.

Sector Groups

In order to address concerns relevant to specific areas of business, we host a number of sector groups. These include: Professional Bodies (ProfBEN), Defence Practitioners (DPG), and the Utilities Sector (USG). These groups are for those responsible for ethics within their organisation to meet and explore specific ethical challenges in their sector, with the IBE providing research and producing briefings for discussion.

The two further groups comprise the **Bank Culture Chairs Group** (BCCG) being the Non-Executive Chairs of the committees looking at ethics and culture of six leading UK banks; and **Professionals against Corruption** (PaC), a group of professional services firms from the legal, accountancy and real estate sectors, committed to work together on the anti-money laundering and anti-corruption agenda. The IBE provides the independent chair and secretariat for BCCG, and the secretariat and advisory services to support PaC.

Advisory Services and Training

As an independent not-for-profit organisation, our unique and pragmatic perspective allows us to work with organisations as a critical friend. Our advisory services are a means of ensuring we remain both current in our understanding of the shifts in the nature of ethical challenges in fast-evolving workplaces, and as a means of sharing expertise and good practice with others.

In addition, advisory work is an important means of diversifying our income sources. Assignments undertaken during 2021 included a multinational aerospace and defence organisation, UK and international financial services organisations, a multinational professional services network, and a multinational oil and gas company.

Training

The IBE has a long tradition and a strong belief in training. We provide both public training courses and workshops and corporate in-house training, offering bespoke training sessions to all levels of staff, from boards and senior management to operational personnel.

All our various training services have been adjusted to provide them on-line and where circumstances have allowed, we have undertaken face to face training with appropriate precautions. In 2021, we ran 11 training courses with 65 paid attendees.

Products

We provide a range of practical and easy to use toolkits which can be customised to the needs of the individual organisation. These include:

Say No Toolkit

A web-based product and app decision-making tool, designed to help organisations support their employees to make the right decision when faced with difficult situations such as whether to accept a gift or hospitality, a facilitation payment, or when faced with a conflict of interest.

Speak Up Toolkit

This app helps employees prepare themselves to raise a concern at work. It answers questions about the entire process – from noticing a problem and having a conversation through to what to expect if you call a Speak Up helpline or if your concern is investigated.

Business Ethics Toolkit

This toolkit provides a guide for business owners, chief executives or managers seeking to make their ethical values explicit, and to protect their business against ethical lapses. It suggests a simple, affordable approach to design an ethics framework, and it is intended to be particularly useful to small and medium sized businesses, start-ups and growth companies.

Research & Thought-leadership

Our research provides the foundation for our thought-leadership and our advisory services. We focus on topics with practical application and seek to support business through the promotion of the latest solutions and ideas. We have moved to publishing all our work on our website.

New reports during 2021 included

- ***Trends and Innovations in Effective Ethics Training***, a guide that shares examples of how organisations are innovating across how they plan, develop, deliver and measure their E&C training
- ***FTSE 100 Codes of Ethics: room for improvement***: An assessment of the Codes of Ethics of the UK's leading companies
- ***Organising for Ethics Discussion Paper***, key elements for a good ethics function
- ***Ethics at Work: 2021 International Survey of Employees***, a report covering 10,000 employees in 13 countries over four continents, that provides real insight into employees' views on ethics across all sectors and job roles

Website

Having extensively revamped and made it more user-friendly and easier to navigate in 2020. We have continued to feature **weekly blogs** where IBE staff, trustees, supporters and invited guests contribute to topical ethical debates. These blogs engender comment and debate on ethical culture and reviews of ethics-related books.

Events

IBE events are typically provided free of charge. Most discussions and publication launches are open to the public and are advertised on our website. Alongside these, the IBE runs a series of private discussions and workshops available to corporate supporters only.

All our events were on-line in 2021, with recordings of our webinars made available as a free resource on our website and via YouTube to further the Institute's public and geographic outreach.

During 2021 we hosted:

- 17 public webinars with an overall total of 1,091 attendees. This included a summer lecture given by Sir Jonathan Thompson, CEO, Financial Reporting Council (FRC). He discussed the relationship between purpose, culture and conduct and explored whether ethics could be regulated; what is business ethics and why were the FRC interested.
- European Business Ethics Forum (jointly with French and US partners) with 80 paid registrants
- Joint event with the Banking Standards Board with 64 board-level attendees
- Our annual Supporter Forum

Hugh Kay Annual Lecture

The Annual Hugh Kay lecture is a featured event for the IBE, as it plays to the history of the organisation and is an integral part of our events programme. In 2021, we welcomed Irene Dorner, Chair of Taylor Wimpey and Control Risks, who spoke to the title: Diversity is just a ticket to the game. The goal is inclusion. She looked particularly at what part Boards can play in creating a culture and environment, where anyone can thrive and realise their full potential.

Business Ethics in Education

A core part of IBE's mission is the education of the next generation of business leaders in business schools and universities, sensitising them to the importance of ethical business practice and ethical issues.

IBE Student Essay Competition in Business Ethics

We run an annual essay competition for UK students, which celebrates the best writing and thinking by undergraduates and postgraduates on business ethics. It aims to encourage student interest in business ethics and the integration of discussions on corporate responsibility into the core curricula of business schools.

Advocacy

The IBE provides advice to policy makers in government, supports corporate governance consultations and reviews, and is an advocate for ethical business practice.

The Trustees, Directors and staff make presentations and speak at conferences nationally and internationally advocating good business practice and, offer the media and others an informed opinion and advice on current issues and good practice.

We made the following submissions in 2021 and supported the FRC's project on Corporate Culture and its work on Audit Culture.

- IBE response to the CSPL Standards Matter 2 consultation
- IBE response to the BEIS Restoring Trust in Audit and Corporate Governance consultation

We also support the following groups:

FRC Stakeholder Advisory Panel

Structure, Governance and Management

The Institute of Business Ethics is an incorporated charity, re-registered with the Charity Commission on 1 April 2019, as a Company limited by Guarantee. It is governed by a Memorandum and Articles, dated September 2018.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the financial statements and comply with the charity's Articles, applicable law and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Board of Trustees

The Trustees are responsible for the overall strategic direction of the Institute, ensuring that the IBE abides by its charitable aim, works within the law and delivers its mission effectively. The Trustees are led by the Chair of the board.

Trustees serve a maximum of three three-year terms. The Trustees meet at least quarterly.

New Trustee positions are advertised and applicants are interviewed by the Nominations Committee. Appointments are ratified by the whole Trustee body. Trustee induction is held at the start of the term and training is provided, as and when identified by the Chair and/or other trustees. All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 5 to the accounts.

Decision-making

The Trustees reserve the following decisions to themselves:

- Appointment of the Auditor
- All Director level appointments
- Appointments of Trustees and Advisory Council members
- Approval of the Annual Report and Accounts
- Approval of reserves and investment policies
- Approval of the IBE's code of ethics
- Approval of the annual operating plan and budget, including the staff plan
- Approval of annual remuneration of staff and any termination or redundancy packages
- Approval of contracts and policies not in the ordinary course of affairs
- Approval of capital expenditure items of £10,000 or more
- Setting the strategy for the Charity.

The Trustees delegate the following decisions to the Director:

- Hiring of staff within the staff plan

- Capital expenditure up to £5,000 with reference to the Chair and Treasurer on sums between £5,000 and £10,000
- Day to day operational decisions in relation to the delivery of the budget and strategic plan.

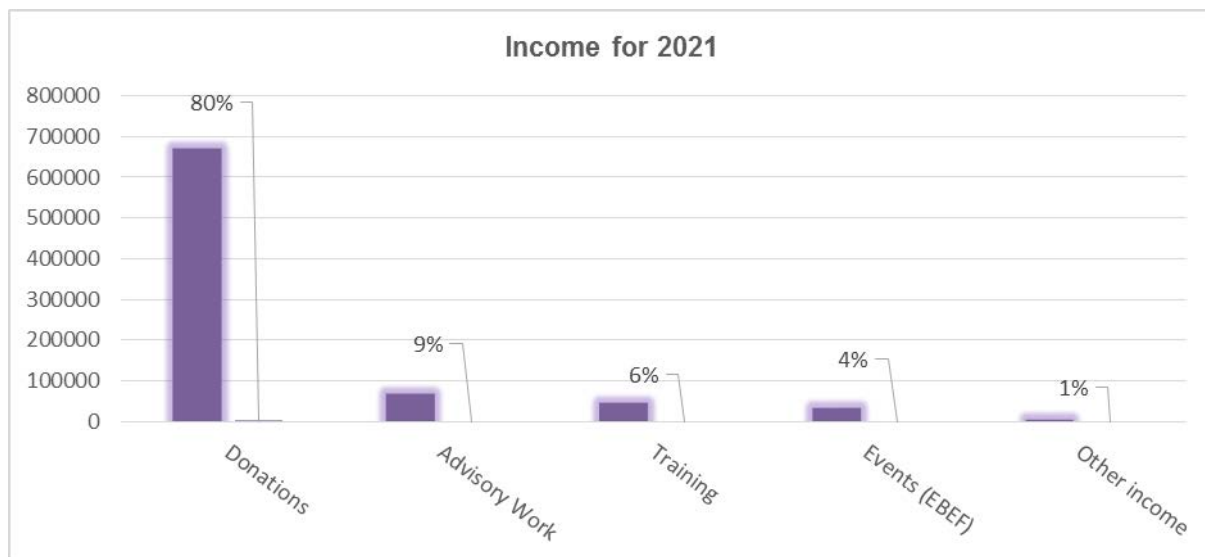
International Advisory Council

The Advisory Council members, who include the President and the Vice Presidents, provide the IBE with advice and guidance on its work programme, thought leadership and strategy. They are invited to attend bi-annual meetings and receive copies of the Director’s reports and the IBE’s events programmes and publications. In addition, The President and the Vice Presidents receive copies of the Trustees’ meeting minutes. The Advisory Council does not form part of the Institute’s formal governance structure.

Funding

The IBE receives financial support from corporate supporters, individuals, associations and trusts. The Institute also generates income from the provision of advisory services, training courses, project funding, the sale of publications and products and events.

Sources of income



Through their donations, IBE supporters help to promote ethical business practice. They are encouraged to engage with us via events, publications, advice and other services that the IBE provides. Diversification of cash funds and investments is regularly reviewed in order to reduce exposure of financial risk to any single institution.

Reserves & going concern

The income of the Institute of Business Ethics depends mainly on donations from companies, which can fluctuate from year to year. Any reduction in these can have a considerable impact on income. In addition, the Institute initiates and incurs costs for projects that may or may not generate equivalent revenue.

The Trustees regularly review the organisation’s reserves policy and following board approval in November 2018, the following policy has been put in place based on the following principles:

- Provide adequate working capital to cover the usual cash flow variability.
- To cover unforeseen financial difficulties, and so allow time should income unexpectedly fall off or, unplanned expenditure be incurred for the Board and management to take remedial action.

These two provide our normal operational reserves.

- We may also wish to hold additional 'earmarked' reserves – designated funds within our unrestricted reserves – so as to be able to make strategic investments in future.

When we receive income subject to specific stipulations which is unspent at the end of the financial year, the balance will be carried forward as restricted reserves, signalling they are not available for general purposes.

On working capital, a review shows we need a minimum of some £60,000 to cover routine operations for a 3-month period. This can be expected to rise if the trend to slow payment by supporters accelerates or if the balance of our work shifts away from annual donations, for example towards advisory services paid on completion. Based on 2021 numbers, three months of fixed costs (salaries and rent) equates to £157,952.

Based on these calculations, the Board decided that for 2021 we should hold a minimum of £240,400 in reserves. The IBE met this policy during the reporting period and continues to do so. However, due to the ongoing Coronavirus pandemic, the Board and management continue to monitor closely the level of reserves alongside income and expenditure.

At 31 December 2021 total reserves were £383,996, of which unrestricted free reserves were £301,444 minus £10,076 for restricted funds.

Note 15a of the accompanying accounts explains our future plans to disburse the restricted and designated funds held in reserve.

At the time of signing, the Trustees consider the Charity to be a going concern and have prepared the accounts on this basis.

Investment policy

Investments are stated at market value. The Trustees take into account social, ethical and environmental considerations when deciding where the Institute's funds are invested.

Remuneration policy

IBE is committed to ensuring that we pay our staff fairly, and in a way that ensures we attract and retain the right skills to have the greatest impact in delivering our charitable objectives.

The Board of Trustees approve the annual percentage increase in the payroll for all staff in November, for the following salary year beginning in January, taking into account RPI as at 30 September of the current year. The Board also approves any non-consolidated pay awards and staff salary increases outside of the annual review process as recommended from time to time by the Director.

The appropriateness and relevance of the remuneration policy is reviewed annually by the Director, who is entrusted to ensure that the review includes reference to comparisons with other charities, ensuring IBE remains sensitive to the broader issues e.g. pay and employment conditions, meets all national pay standards, and provides all paid staff with a living wage. Salaries are benchmarked against similar roles within like-minded charities, the Charity Salary Survey and other comparable roles.

The Director reviews all staff pay levels annually, and new proposals are put to the Board of Trustees for review and approval. The Director is in attendance for the meeting but leaves for any discussion regarding their own remuneration.

The Remuneration Committee, established in December 2020, approve any changes to staff pay levels.

Pension policy

The IBE has adhered to the Auto-Enrolment Scheme, all employees are automatically enrolled in the company pension scheme and new employees will be automatically enrolled in the National Employment Savings Trust (NEST) in accordance with the company's obligations under the Pensions Act 2008.

Risk management

The risk register was revised and simplified in 2019, with trustees having identified 13 main residual risks. This is now reviewed at each Board meeting, with an ongoing commitment to managing those risks.

Key Risks

Management of Key Risks

<p>Failure to provide public benefit in accordance with IBE's Articles. Failure of Trustees to execute effective stewardship. Keeping to IBE's Charitable purpose . Trustee body lacks relevant skills.</p>	<p>Trustees adhere to the Charities Code. Aware & following the IBE's Articles of Association. Public Benefit is reflected in the 5 year plans, which is in line with our purpose and values. Auditors check public benefit. Stringent recruitment process in place, with a view to filling the gaps on the Board. Regular reporting to the Board to demonstrate the organisation is keeping to its charitable goals.</p>
<p>Sudden loss of key personnel including Directors. Excessive Staff Turnover</p>	<p>Succession Plan to ensure minimum disruption to business. Staff development in key aspects. Organisation chart to create a clear understanding of roles and duties. Ensure clear roles and responsibilities. Relevant staff development to be in place. Ongoing staff development to ensure key areas are covered. Updated job descriptions, roles and responsibilities. Job descriptions, roles and responsibilities to be updated. Staff development to be monitored.</p>
<p>Supporters cease financial support.</p>	<p>Maintain regular contact with all supporters, ensure relevance of activities. Maintain a wide spread of supporters in different sectors. Encourage new supporters, diversification of supporters' base. Seeking to identify new sources of funding and to diversify income streams. Monitor supporter feedback and seek to ensure that products and services are relevant to their needs. Ensure Research and Services are compelling and in-line with supporters' wants & needs. Publications to be made free for all supporters. Networking and Safe Space USP to be promoted.</p>

IBE Code of Ethics

The IBE has a Code of Ethics for all staff and Trustees, which is published on the website. It was reviewed and updated in 2021.

In order to mitigate reputation risk and avoid potential conflicts of interest, the Trustees have a Register of Interests of Trustees for internal use. This is completed by new Trustees on appointment and reviewed annually.

Annual review of board effectiveness

The Chairman conducted 1:1 interviews with each trustee in November 2021, collated feedback and presented a paper to the additional January board meeting on board effectiveness which was reviewed and agreed by trustees.

Statement of Trustees' Responsibilities

The trustees (who are also directors of Institute of Business Ethics for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these 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
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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 auditor is unaware
- 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 auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at Year End was 2021:10. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Trustees:

- ❖ David Grayson, CBE - Chair

- ❖ Mike Tuffrey - Treasurer
- ❖ Cristina Cortes
- ❖ Ian Dyson QPM
- ❖ Jason Engelbrecht
- ❖ Loree Gourley – Vice Chair
- ❖ Yetunde Hofmann
- ❖ Tim Langton
- ❖ Loren Shuster
- ❖ Louise Terry

International Advisory Council:

- ❖ Sir Tim Melville-Ross KBE – President
- ❖ Ian Barlow – Vice President
- ❖ Ram Gidoomal CBE – Vice President
- ❖ Simon Thompson – Vice President
- ❖ The Baroness Howe of Idlicote CBE – Honorary Vice President (Resigned November 2021)
- ❖ Sir Robert Worcester KBE DL – Honorary Vice President

Members

- ❖ Iain Anderson
- ❖ Sir Brendan Barber
- ❖ Sir Douglas Flint CBE
- ❖ Mary Francis CBE LVO (Resigned September 2021)
- ❖ Annabel Gillard
- ❖ Dr Peter Harper
- ❖ David Jackson
- ❖ Rachel Lomax
- ❖ John Williams
- ❖ Sir Mark Moody Stuart
- ❖ Chris Moorhouse
- ❖ Ruth Rawling
- ❖ Barbara Ridpath

- ❖ Robert Smith
- ❖ Professor Laura Spence
- ❖ Sir Kevin Tebbit KCB CMG
- ❖ Sir David Walker (Resigned February 2022)
- ❖ Philippa Foster Back CBE (Resigned November 2021)

Auditors

Sayer Vincent were re-appointed as the charity's auditors during the year and have expressed their willingness to act in that capacity.

The accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime. The trustees' annual report has been approved by the trustees and signed on their behalf by

Professor David Grayson, CBE

Chair of Trustees

8 September 2022

Independent auditor's report

To the members of

Institute of Business Ethics

Opinion

We have audited the financial statements of Institute of Business Ethics (the 'charitable company') for the year ended 31 December 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Institute of Business Ethics' 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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that

Independent auditor's report

To the members of

Institute of Business Ethics

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 trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which 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 directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

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

Auditor's 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

Independent auditor's report

To the members of

Institute of Business Ethics

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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.

Independent auditor's report

To the members of

Institute of Business Ethics

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Joanna Pittman (Senior statutory auditor)
8 September 2022
for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Statement of financial activities (incorporating income and expenditure account)

For the year ended 31 December 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Income from:							
Donations and legacies	2	588,376	72,047	660,423	611,224	10,000	621,224
Charitable activities							
Advisory		71,050	–	71,050	117,103	–	117,103
Training		49,247	–	49,247	60,075	–	60,075
Meetings & Events		36,244	–	36,244	88,742	–	88,742
Publications & Projects		3,210	–	3,210	33,077	–	33,077
Other		4,372	–	4,372	10,345	–	10,345
Total income		752,499	72,047	824,546	920,566	10,000	930,566
Expenditure on:							
Raising funds	3a	69,215	–	69,215	84,564	–	84,564
Charitable activities							
Advisory	3a	218,953	–	218,953	251,943	–	251,943
Training	3a	89,084	–	89,084	151,643	–	151,643
Meetings & Events	3a	223,599	–	223,599	283,792	–	283,792
Publications & Projects	3a	120,186	67,625	187,811	140,227	27,361	167,588
Total expenditure		721,037	67,625	788,662	912,169	27,361	939,530
Net income / (expenditure) before net gains on investments		31,462	4,422	35,884	8,397	(17,361)	(8,964)
Net gains on investments	10	(1,143)	–	(1,143)	438	–	438
Net income / (expenditure) before other recognised gains and losses	4	30,319	4,422	34,741	8,835	(17,361)	(8,526)
Gains / (losses) on foreign exchange		(1,554)	–	(1,554)	536	–	536
Net movement in funds		28,765	4,422	33,187	9,371	(17,361)	(7,990)
Reconciliation of funds:							
Total funds brought forward		345,155	5,654	350,809	335,784	23,015	358,799
Total funds carried forward		373,920	10,076	383,996	345,155	5,654	350,809

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. All movements in funds are disclosed above.

Balance sheet

Company number 11594672

As at 31 December 2021

	Note	£	2021 £	£	2020 £
Fixed assets:					
Tangible assets	9		3,089		5,037
Intangible assets	9		26,078		38,891
Investments	10		29,671		30,814
			<u>58,838</u>		<u>74,742</u>
Current assets:					
Debtors	11	38,655		33,014	
Cash at bank and in hand		487,351		464,265	
		<u>526,006</u>		<u>497,279</u>	
Liabilities:					
Creditors: amounts falling due within one year	12	200,848		221,212	
			<u>325,158</u>		<u>276,067</u>
Net current assets					
			<u>383,996</u>		<u>350,809</u>
The funds of the charity:					
Unrestricted income funds:					
Designated funds	15a	43,309		57,909	
General funds		330,611		287,246	
		<u>373,920</u>		<u>345,155</u>	
Total unrestricted funds			373,920		345,155
Restricted funds	15a		10,076		5,654
			<u>383,996</u>		<u>350,809</u>

Approved by the trustees on 8 September 2022 and signed on their behalf by

Professor David Grayson CBE
Chair of the Trustees

Statement of cash flows

For the year ended 31 December 2021

	2021		2020	
	£	£	£	£
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	34,741		(8,526)	
Gains on investments	1,143		(438)	
Loss on disposal of joint venture	-		2,500	
Depreciation and amortisation	14,760		14,168	
Decrease / (Increase) in debtors	(5,641)		78,876	
(Decrease) / Increase in creditors	(20,364)		55,489	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash used in operating activities		24,639		142,069
Cash flows from investing activities:				
Purchase of fixed assets	-		(11,745)	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash used in investing activities		-		(11,745)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Change in cash and cash equivalents in the period		24,639		130,324
Cash and cash equivalents on transfer of funds / start of period		464,266		333,404
Change in cash and cash equivalents due to foreign exchange		(1,554)		538
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash and cash equivalents at the end of the period		<u>487,351</u>		<u>464,266</u>

Analysis of cash and cash equivalents

	At 1 January 2021	Cash flows	Other changes	At 31 December 2021
	£	£	£	£
Cash in hand	464,266	24,639	(1,554)	487,351
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total cash and cash equivalents	<u>464,266</u>	<u>24,639</u>	<u>(1,554)</u>	<u>487,351</u>

1 Accounting policies

a) Statutory information

Institute of Business Ethics is a charitable company limited by guarantee and is incorporated in England and Wales on 28 September 2018.

The registered office address and principal place of business is 24 Greencoat Place, London, SW1P 1BE.

b) Basis of preparation

The financial statements have been prepared in accordance with 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) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1 Accounting policies (continued)

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering advisory services, meetings, publications and other educational activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged to the accounts in the same proportion as staff costs.

i) Allocation of support and governance costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

	Staff costs	Governance	Office Support
● Cost of raising funds	4%	8%	8%
● Advisory	18%	32%	32%
● Training	8%	14%	14%
● Meetings & Events	16%	28%	28%
● Publications & Projects	10%	18%	18%
● Support costs	38%		
● Governance costs	6%		

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

1 Accounting policies (continued)

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity will not be renewing the current rental lease at the end of the lease term (31 July 2022) and the landlord will not be providing suitable ongoing accommodation after this date. The charity believes that the landlord will not issue an invoice for dilapidations, and therefore no provision for such costs have been entered into the financial statements.

o) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Full details are given in the financial instruments note.

p) Pensions

The charity operates a defined contribution scheme, whereby it will put in a contribution of 5% of an employee's gross salary. Pension contributions are paid monthly in arrears, and can commence once the employee has completed the standard 3 month probationary period. There is no obligation for any employee to join the scheme and the charity has no further obligations once payments have been made.

q) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rate in use is 4 years.

r) Intangible assets

The new IBE website, developed in 2020 went live on 13 January 2021. All installation and development costs have been classed as intangible assets. Support costs, website hosting and domain name costs are considered to be normal running costs and will be expensed in the period they are incurred.

Amortization is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The amortization rate in use is 4 years.

2 Income from donations and legacies

	2021	2020
	Total	Total
	£	£
Corporate subscriptions	583,211	607,858
Individual subscriptions	5,165	3,366
Ethics @ Work 21 donations – restricted fund	72,047	–
CRP (Contributed Income, Research & Publication Fund) – restricted fund	–	10,000
	660,423	621,224

All income sources listed above are unrestricted in the current period, with the exception of the Ethics @ Work 21 donations, totalling £72,047.

3a Analysis of expenditure (current period)

	Charitable activities							2021 £
	Raising funds £	Advisory £	Training £	Meetings & Events £	Publications & Projects £	Governance costs £	Support costs £	
Staff costs (Note 5)	44,722	107,923	39,416	102,408	62,286	50,741	167,929	575,425
Project/product expenditure	-	-	-	-	4,546	-	-	4,546
Marketing & hospitality	-	10,383	6,922	13,844	3,461	-	-	34,610
Ethics at Work 2021	-	-	-	-	57,635	-	-	57,635
Publications	-	-	-	-	1,027	-	-	1,027
General events	-	-	-	1,131	-	-	-	1,131
EBEF event	-	-	-	19,152	-	-	-	19,152
Other direct costs	-	1,000	-	-	(10)	5,099	-	6,089
Rent, rates & service charge	1,992	8,102	3,476	7,079	4,786	2,864	17,374	45,673
Office & IT equipment	151	613	263	535	362	217	1,313	3,454
Office costs	454	1,849	793	1,615	1,092	653	3,965	10,421
IT costs	637	2,592	1,112	2,265	1,531	916	5,558	14,611
Professional fees	316	1,287	552	1,125	760	455	2,760	7,255
Associate & Recruitment cost	-	-	-	-	-	-	-	-
Insurance	333	1,354	581	1,183	800	479	2,903	7,633
	48,605	135,103	53,115	150,337	138,276	61,424	201,802	788,662
Governance costs	4,810	19,566	8,393	17,096	11,559	(61,424)	-	-
Support costs	15,800	64,284	27,576	56,166	37,976	-	(201,802)	-
Total expenditure 2021	69,215	218,953	89,084	223,599	187,811			788,662

3b Analysis of expenditure (prior period)

	Charitable activities							2020 £
	Raising funds £	Advisory £	Training £	Meetings & Events £	Publications & Projects £	Governance costs £	Support costs £	
Staff costs (Note 5)	54,077	158,271	80,005	111,062	67,690	38,264	140,368	649,737
Project/product expenditure	-	-	9,058	-	-	-	-	9,058
Marketing & hospitality	-	6,144	9,217	12,289	3,072	-	-	30,722
Events	-	-	1,751	-	977	-	-	2,728
Publications	-	-	-	-	35,990	-	-	35,990
EBEF event	-	-	-	78,488	-	-	-	78,488
Other direct costs	-	334	(1,206)	-	-	6,233	-	5,361
Rent, rates & service charge	3,644	10,422	6,313	9,795	7,155	2,983	19,278	59,590
Office & IT equipment	337	963	583	905	661	276	1,781	5,506
Office costs	622	1,780	1,078	1,673	1,222	509	3,292	10,176
IT costs	1,035	2,959	1,792	2,781	2,031	847	5,473	16,918
Professional fees	579	1,656	1,003	1,557	1,137	474	3,064	9,470
Associate & Recruitment cost	1,105	3,162	1,915	2,972	2,171	905	5,849	18,079
Insurance	471	1,348	817	1,267	925	386	2,493	7,707
	61,870	187,039	112,326	222,789	123,031	50,877	181,598	939,530
Support costs	17,727	50,700	30,712	47,653	34,806	-	(181,598)	-
Governance costs	4,967	14,204	8,605	13,350	9,751	(50,877)	-	-
Total expenditure 2020	84,564	251,943	151,643	283,792	167,588			939,530

4 Net income for the period

This is stated after charging / crediting:

	2021 £	2020 £
Operating lease rentals:		
Property	33,480	43,959
Other	12,193	18,480
Auditor's remuneration (excluding VAT):		
Audit	6,900	6,275
Foreign exchange gains or (losses)	(1,554)	536
	<u> </u>	<u> </u>

5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	507,135	573,312
Social security costs	50,147	58,164
Employer's contribution to defined contribution pension schemes	18,142	18,261
	<u>575,424</u>	<u>649,737</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the accounting period between:

	2021 No.	2020 No.
£70,000 – £79,999	–	1
£100,000 – £109,999	1	–
	<u> </u>	<u> </u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £144,423 (2020: £174,170).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the period. No charity trustee received payment for professional or other services supplied to the charity.

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2020: £nil) incurred by 0 members (2020: 0) relating to attendance at meetings of the trustees.

6 Staff numbers

The average number of employees (head count based on number of staff employed) during the accounting period was as follows:

	2021 No.	2020 No.
Raising funds	0.6	0.9
Advisory	2.3	2.4
Training	1.0	1.5
Meetings & Events	2.0	2.3
Publications and Projects	1.4	1.7
Support	4.9	4.5
Governance	0.8	0.7
	13.0	14.0
	13.0	14.0

The average number of employees (full time equivalents) during the accounting period was as follows:

	2021 No.	2020 No.
Raising funds	0.4	0.7
Advisory	1.8	2.1
Training	0.8	1.3
Meetings & Events	1.6	2.0
Publications and Projects	1.1	1.4
Support	3.9	3.9
Governance	0.6	0.6
	10.2	12.0
	10.2	12.0

7 Related party transactions

There are no donations from related parties to disclose for 2021 (2020: none) which are outside the normal course of business and no restricted donations from related parties.

8 Taxation

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

9 Fixed assets	Computers £	Total £
Cost – fixed		
At the start of the period	8,121	8,121
Additions in the period	–	–
At the end of the period	8,121	8,121
Depreciation		
At the start of the period	3,084	3,084
Charge for the period	1,948	1,948
At the end of the period	5,032	5,032
Net book value		
At the end of the period	3,089	3,089
At the start of the period	5,037	5,037
Cost – intangibles	Website £	Total £
At the start of the period	51,248	51,248
Additions in the period	–	–
At the end of the period	51,248	51,248
Depreciation		
At the start of the period	12,357	12,357
Charge for the period	12,813	12,813
At the end of the period	25,170	25,170
Net book value		
At the end of the period	26,078	26,078
At the start of the period	26,078	26,078

All of the above assets are used for charitable purposes.

10 Listed investments measured through profit and loss	2021 £	2020 £
Fair value at the start of the period	30,814	30,376
Net gain / (loss) on change in fair value	(1,143)	438
Fair value at the end of the period	<u>29,671</u>	<u>30,814</u>
Investments comprise:		
	2021 £	2020 £
UK Common investment funds	<u>29,671</u>	<u>30,814</u>
	<u>29,671</u>	<u>30,814</u>
11 Debtors	2021 £	2020 £
Trade debtors	17,475	24,329
Other debtors	-	-
Prepayments	4,981	8,393
Accrued income	16,199	292
	<u>38,655</u>	<u>33,014</u>
12 Creditors: amounts falling due within 12 months	2021 £	2020 £
Trade creditors	-	-
Sundry creditors	-	(5,123)
Taxation and social security	14,335	21,021
VAT	2,144	2,970
Accruals	24,376	44,340
Deferred income	159,993	158,004
	<u>200,848</u>	<u>221,212</u>
13 Deferred income		
Deferred income comprises fees, corporate or individual subscriptions that have been paid in advance.		
	2021 £	2020 £
Balance at the beginning of the period	158,003	103,733
Amount released to income in the period	(158,003)	(103,733)
Amount deferred in the period	159,993	158,003
Balance at the end of the period	<u>159,993</u>	<u>158,003</u>

14a Analysis of net assets between funds (current period)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible and intangible fixed assets	29,167	–	–	29,167
Net current assets	301,444	43,309	10,076	354,829
Net assets at 31 December 2021	330,611	43,309	10,076	383,996

14b Analysis of net assets between funds (prior period)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	43,928	–	–	43,928
Net current assets	243,318	57,909	5,654	306,881
Net assets at 31 December 2020	287,246	57,909	5,654	350,809

15a Movements in funds (current period)

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2021 £
Restricted funds:					
Contributed Income, Research & Publication Fund	5,654	–	10	–	5,664
Ethics @ Work 2021	–	72,047	(57,635)	(10,000)	4,412
Total restricted funds	5,654	72,047	(57,625)	(10,000)	10,076
Unrestricted funds:					
Designated fund: Professionals against Corruption (PaC)	57,909	–	(1,000)	(13,600)	43,309
General funds	287,246	752,499	(732,734)	23,600	330,611
Total funds	350,809	824,546	(791,359)	–	383,996

The narrative to explain the purpose of each fund is given at the foot of the note below.

15b Movements in funds (prior period)

	Transferred in on 1 April 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
Restricted funds:					
Contributed Income, Research & Publication Fund	23,015	10,000	(27,361)	-	5,654
Total restricted funds	23,015	10,000	(27,361)	-	5,654
Unrestricted funds:					
Designated fund: Professionals against Corruption (PaC)	55,693	2,500	(284)	-	57,909
General funds	280,091	919,040	(911,885)	-	287,246
Total unrestricted funds	358,799	931,540	(939,530)	-	350,809

Purposes of restricted funds

Contributed Income, Research & Publication Fund

This is a fund from a series of requested donations for the purpose of the IBE's Research and Publication work. It allowed the IBE to create more resources and freely disseminate them more widely. The monies collected so far will be spent by Q3 of 2022.

Ethics @ Work 2021 fund

This is a fund from a series of requested donations from major supporters to sponsor the research, collation of data and publication which is done every three years. These funds cover the costs of the outsourced research and publications. The surveys are conducted in a set amount of countries (usually determined by the organisation used to survey and their reach) and focused on the ethical behaviour of staff in larger companies (overall in excess of more than 10,000 employees).

The £10,000 transfer of funds from general expense to Ethics @ Work 2021 expense this year (note 15a) was due to the contribution of Research team staff resources on this fund throughout the year.

Purposes of designated funds

Professionals against corruption

A group of professional services firms have reached an agreement with the IBE, to work together on an anti-corruption and anti-money laundering agenda. The funds will be drawn down to facilitate research and projects connected to this agenda.

The £13,600 transfer of funds from general expense to PAC expense this year (note 15a) was due to staff resources used to complete a requested project from one of the PAC contributors.

16 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property		Equipment	
	2021	2020	2021	2020
	£	£	£	£
Less than 1 year	53,733	78,150	-	-
1 - 5 Years	-	76,196	-	-
	53,733	154,346	-	-

INSTITUTE OF BUSINESS ETHICS

England & Wales - Charity number 1180741

Accounts



Institute of
Business Ethics

Registered Charity Number: 1180741 and Company Number 11594672

**ANNUAL REPORT and FINANCIAL
STATEMENTS FOR
THE YEAR ENDED 31 December 2020**

About the Institute of Business Ethics

The Institute of Business Ethics was established in 1986, as a registered charity. It is a not-for-profit organisation funded primarily by corporate, associate and individual supporters.

The charitable aim of the IBE is to “to advance public education in business ethics”, through leading the dissemination of knowledge and good practice.

To this end, the Institute assists organisations in building and strengthening their ethical culture, engaging with organisations in a wide variety of sectors, to discuss important ethical issues, and use their practical experience and knowledge to better establish and disseminate improved standards and best practice.

IBE Purpose:

To champion the highest standards of ethical behaviour in business

Public Benefit

The Trustees refer to the Charity Commission's general guidance on public benefit when reviewing the Institute's aims and objectives and in planning our future activities. In particular, the Trustees consider how well our planned activities align with our stated charitable aims and objectives.

The IBE continues to operate as a not-for-profit organisation, ensuring that the funds we receive from our Supporters are put to best use through education, thought-leadership and debate about business ethics. We are substantially dependent on our Supporters for our income and for the public benefit of our work and are enormously grateful for their continued support.

Status

The Institute of Business Ethics was founded in 1986 and registered as an unincorporated charity in December 2000. As of April 2019, the Institute of Business Ethics is a registered charity and a Company Limited by Guarantee.

Strategy

In December 2020 the IBE's Board of Trustees approved a 5 year implementation plan, which set the tone and foundations for a bold new strategy, establishing a base for the future growth by reinvigorating our message and our approach for the Institute. Redefining our objectives, setting new targets and developing our programme to meet the new challenges that lay ahead.

The key elements of this strategy were to:

- Build our profile and enhance our 'go to' brand

- Engage more supporters, diversify our supporter base, and augment our services to our supporters

- Expand our training and the scope of our webinars

- Initiate new thought-leadership, and seek to more effectively engage our supporters to expand our research and knowledge base.

- More effectively market our range of services and products to both supporters and non-supporters.

REPORT OF THE TRUSTEES

Message from the Chairman

On March 10th 2020, I spent a day with our then Director-designate Ian Peters, planning how we would work together and refresh the IBE strategy. The next day, I had a regular catch-up with the outgoing Director Philippa Foster Back, followed by the quarterly board meeting in Greencoat Place. Little did I imagine that for the rest of 2020, the IBE – like so many other organisations – would be working entirely online.

In practice, this meant that most of Ian's induction was virtual; that the majority of IBE board members have only experienced one IBE board "in person;" that our small, hardworking team have been working from home now for over a year; and we have done our Strategy update, delivered advisory services for clients, engagement meetings and all our events remotely.

I want to say a huge thank-you to the IBE staff team, fellow trustees, International Advisory Council members, supporters, event speakers, publications' authors and project partners for adapting so fast and so positively. As a result, we have run a full programme of IBE activities during 2020. Indeed, as a result of the lockdowns and the necessity of operating remotely, we have been able to involve many more people in our activities. Necessity, Mother, Invention come to mind!

Now, in early summer 2021, as we experience the gradual lifting of restrictions, we will consider very carefully which of the 2020 innovations that COVID19 forced on us, that we will want to keep. Certainly, our webinar series and more flexible ways of working. As we emerge from the immediate health crisis, we inevitably face new economic and other challenges. Agility will be crucial for all of us, married to the resilience that the pandemic has taught us.

What is already abundantly clear is that doing business ethically will be essential to building forward better.

The IBE intends to make our voice heard as the world plots the post COVID19 future and aspires to Build Back Better.

Professor David Grayson CBE

June 2021

Impacts of Coronavirus (Covid-19)

The COVID-19 pandemic developed rapidly in 2020 and measures taken by government to contain the virus had a significant effect on economic activity. The IBE took a number of actions to monitor and mitigate the effects of COVID-19, such as health and safety measures for our people (i.e. social distancing and working from home) and securing the provision of equipment that is essential to continue our work.

The impact on supporter donations was expected and in mitigation, we sought to reduce costs wherever possible with close monitoring of the situation. In particular, we are grateful to our landlords the Initiatives of Change for rent reductions whilst we have been unable to occupy our premises.

All of our activities, including training, seminars, and lectures and networking events, were successfully moved online allowing our Supporters and other participants to continue to benefit from our work.

We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our staff and stakeholders.

Further contingency plans are in place, should they be necessary, in order to meet our duty to maintain the viability of the charity.

Activities of the Institute of Business Ethics

The Trustees present their report and the audited financial statements for the year ended 31 December 2020.

The IBE provides specialist advisory and training services, and delivers an extensive programme of research, surveys and publications to inform business and the public in relation to business ethics. Much information is made freely available through our website, but it is our Supporters that have the most influence on the IBE's priorities and work programmes and, most importantly, they are the only ones who can enjoy the significant advantages that come from participation in our unique Supporter networks.

Through our Supporter-only networks, round-tables and workshops:

- we connect businesses and ethics professionals working in similar fields and facing similar challenges for industry and issue-specific, confidential networking events to identify emerging trends and share best practices
- we provide a neutral, safe space to allow Chatham House Rule dialogue with industry peers and experts on the ethical dilemmas that businesses confront.

Engagement with our supporters

The IBE's work is funded by corporate and individual supporters. Through their donations, the Institute is able to realise its purpose.

Our supporters join a community of individuals and organisations committed to promoting high standards of business conduct based on ethical values. Our work is informed and shaped by engagement with our supporters and the insight this provides us. In 2020 we established a programme of engagement meetings where the IBE's Director meets with the Ethics leaders of Supporter firms to keep up-to-date with current issues.

It is important to our mission that we achieve a broad focus. To achieve this, we seek to engage with those at board and senior leadership level, as well as with the organisations' ethics and compliance practitioners thereby increasing our effectiveness in creating a positive influence throughout the corporate world.

Supporters' Forum

In 2020 we launched the Supporters' Forum as an opportunity for IBE supporters to meet once a year to hear about the IBE's work and provide input to our plans for the forthcoming year. This annual meeting will be key to helping the IBE ensure that it is responsive to the latest developments in business ethics and thereby meeting the needs of our Supporters. We had a well-attended inaugural forum in October 2020 led by the IBE Director and Chairman.

Business Ethics Network

Key to engagement with our supporters is our Business Ethics Network (BEN). It provides a confidential forum for the sharing of both good practice and any challenges faced in implementing an effective ethics programme. BEN members also contribute significantly to the IBE's work programme by informing and influencing our priorities for future discussions and research.

Sector Groups

In order to address concerns relevant to specific areas of business, we host a number of sector groups. These include: Professional Bodies (ProfBEN), Defence (DPG), the Utilities Sector (USG) and Academic Institutions (AcaBEN). These groups are for those responsible for ethics within their organisation to meet and explore specific ethical challenges, with the IBE providing research and producing briefings for discussion.

The two further groups comprise the Bank Culture Chairs Group (BCCG) being the Non- Executive Chairs of the committees looking at ethics and culture of six leading UK banks; and Professionals against Corruption (PaC), a group of professional services firms from the legal, accountancy and real estate sectors, committed to work together on the anti-money laundering and anti-corruption agenda. The IBE provides the independent chair and secretariat for BCCG, and the secretariat

and advisory services to support PaC.

Advisory Services

As an independent not-for-profit organisation, our unique and pragmatic perspective allows us to work with organisations as a critical friend. We offer advisory services as part of our range of activities as a means of ensuring we remain both current in our understanding of the shifts in the nature of ethical challenges in fast-evolving workplaces, and as a means of sharing expertise and good practice with others. In addition, advisory work is an important means of diversifying our income sources. Assignments undertaken during 2020 included for a global luxury goods business, both UK and international financial services organisations, an industrial defense contractor, and an international health organisation

Training

The IBE has a long tradition and a strong belief in training. We provide both public training courses and workshops and corporate in-house training, offering bespoke training sessions to all levels of staff, from boards and senior management to operational personnel.

Due to the pandemic, to continue our various training services we have adjusted to provide them on-line.

Products

We provide a range of practical and easy to use toolkits and an international benchmarking resource. Both of which, can be customised to the needs of the individual organisation. These include:

Say No Toolkit

The IBE's Say No Toolkit is a web-based product and app decision-making tool, designed to help organisations support their employees to make the right decision when faced with difficult situations such as whether to accept a gift or hospitality, if offered a facilitation payment, or when faced with a conflict of interest. The [UK Department for International Trade](#) cites the IBE Say No Toolkit as a source which companies can use for training in anti-corruption and dealing with difficult situations.

Speak Up Toolkit

The Speak Up Toolkit helps employees prepare themselves to raise a concern at work. It answers questions about the entire process – from noticing a problem and having a conversation through to what to expect if you call a Speak Up helpline or if your concern is investigated.

Business Ethics Toolkit

This toolkit was launched at the end of 2020. It is intended to guide you in your role as a business owner, chief executive or manager seeking to make your ethical values explicit, and to protect your business against ethical lapses. It suggests a simple, affordable approach to design an ethics framework, and it is intended to be particularly useful to small and medium sized businesses, start-ups and growth companies.

Research & Publications

As well as providing an educational resource, our research and survey work also contributes to the writing of reports and publications, and in supporting those with business ethics needs. Our publications include Board Briefings, Good Practice Guides, Surveys, Reports and Briefings, all of which are available via our website. Many are free to download and others are available to purchase. New publications during 2020 included Section 172, a Board Briefing to help companies benefit from the new reporting obligation, and to encourage them to go beyond legal requirements, Embedding Business Ethics: 2020 report on corporate ethics policies and programmes, a report on the Ethics of Diversity in the boardroom (December 2020) and an Anti-Bribery and Anti-Money Laundering Bibliography (Jan. 2020).

Website

The IBE website was extensively revamped and made more user-friendly and easier to navigate. The renewed website was launched in January 2020. Amongst the new features are a weekly blog where

IBE staff, trustees, supporters and invited guests can contribute to topical ethical debates. These included during 2020 a series on “Pandemic and Beyond: the ethical issues;” several pandemic-related ethical dilemmas; blogs on ethical culture and reviews of ethics-related books.

Events

IBE events are typically provided free of charge. Most discussions and publication launches are open to the public and are advertised on our website. Alongside these, the IBE runs a series of private discussions and workshops available to corporate supporters only.

Due to the pandemic, and to increase the accessibility of our events, we have adjusted to provide them on-line. Recordings of our webinars are available as a free resource on our website and via YouTube to further the Institute’s public and geographic outreach. During 2020 we hosted 28 events, of which 9 were webinars open to supporters and the public.

Hugh Kay Annual Lecture

Hugh Kay was a distinguished journalist and broadcaster and played an integral role in the founding of the IBE as part of CAGE (Christian Association of Business Executives). When CAGE was wound up in 2018, the IBE took over the hosting of this annual lecture series which began in 1990.

Each year we invite an eminent speaker to talk about how they and their organisation’s values influence their business life and provide insights for the future. In 2020, we were delighted to welcome Lord Evans of Weardale, Chair of the Committee on Standards in Public Life, who discussed whether we really are in a Post-Nolan world, and made the case for the value of public standards and business ethics, in these extraordinary times. The contents of the lecture attracted considerable media coverage.

Business Ethics in Education

A core part of IBE’s mission is the education of the next generation of business leaders in schools and universities, sensitising them to the importance of ethical business practice and ethical issues.

IBE Student Essay Competition in Business Ethics

We run an annual essay competition for UK students, which celebrates the best writing and thinking by undergraduates and postgraduates on business ethics. It aims to encourage student interest in business ethics and the integration of discussions on corporate responsibility into the core curricula of business schools.

Advocacy

The IBE provides advice to policy makers in government, supports corporate governance consultations and reviews, and is an advocate for ethical business practice.

The Trustees, Directors and staff make presentations and speak at conferences nationally and internationally advocating good business practice and offer the media and others an informed opinion and advice on current issues and good practice.

Structure, Governance and Management

The Institute of Business Ethics is an incorporated charity, re-registered with the Charity Commission on 1 April 2019, as a Company limited by Guarantee. It is governed by a Memorandum and Articles, dated September 2018.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the financial statements and comply with the charity’s Articles, applicable law and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Board of Trustees

The Trustees are responsible for the overall strategic direction of the Institute, ensuring that the IBE abides by its charitable aim, works within the law and delivers its mission effectively. The Trustees are led by the Chairman.

Trustees serve a maximum of three three-year terms. The Trustees meet at least quarterly. New Trustee positions are advertised and applicants are interviewed by the Nominations Committee. Appointments are ratified by the whole Trustee body. Trustee induction is held at the start of the term and training is provided, as and when identified by the Chairman and/or other trustees. All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 5 to the accounts.

Decision-making

The Trustees reserve the following decisions to themselves:

- Appointment of the Auditor
- All Director level appointments
- Appointments of Trustees and Advisory Council members
- Approval of the Annual Report and Accounts
- Approval of reserves and investment policies
- Approval of the IBE's code of ethics
- Approval of the annual operating plan and budget, including the staff plan
- Approval of annual remuneration of staff and any termination or redundancy packages
- Approval of contracts and policies not in the ordinary course of affairs
- Approval of capital expenditure items of £10,000 or more
- Setting the strategy for the Charity.

The Trustees delegate the following decisions to the Director:

- Hiring of staff within the staff plan
- Capital expenditure up to £5,000 with reference to the Chairman and Treasurer on sums between £5,000 and £10,000
- Day to day operational decisions in relation to the delivery of the budget and strategic plan.

Change in Director

As of 1 May 2020, Dr Ian Peters, MBE became the Director of the IBE.

With over 30 years of experience of professional associations, Ian brings with him significant expertise and an excellent reputation for relationship building, high performance and team leadership.

Ian joins the IBE from the Chartered Institute of Internal Auditors (IIA), where he served as chief executive from 2009 and where he led the significant expansion in the work and impact of the IIA. He was previously director of external affairs at the Engineering Employers Federation (EEF) and prior to that deputy director general of the British Chambers of Commerce. He also spent five years as a deputy director at the CBI where he was head of the SME unit.

We are immensely grateful to Philippa Foster Back, CBE for her 20 years of incredible service and thank her for her drive, hard work, perseverance, and support. We are delighted she has joined our International Advisory Council.

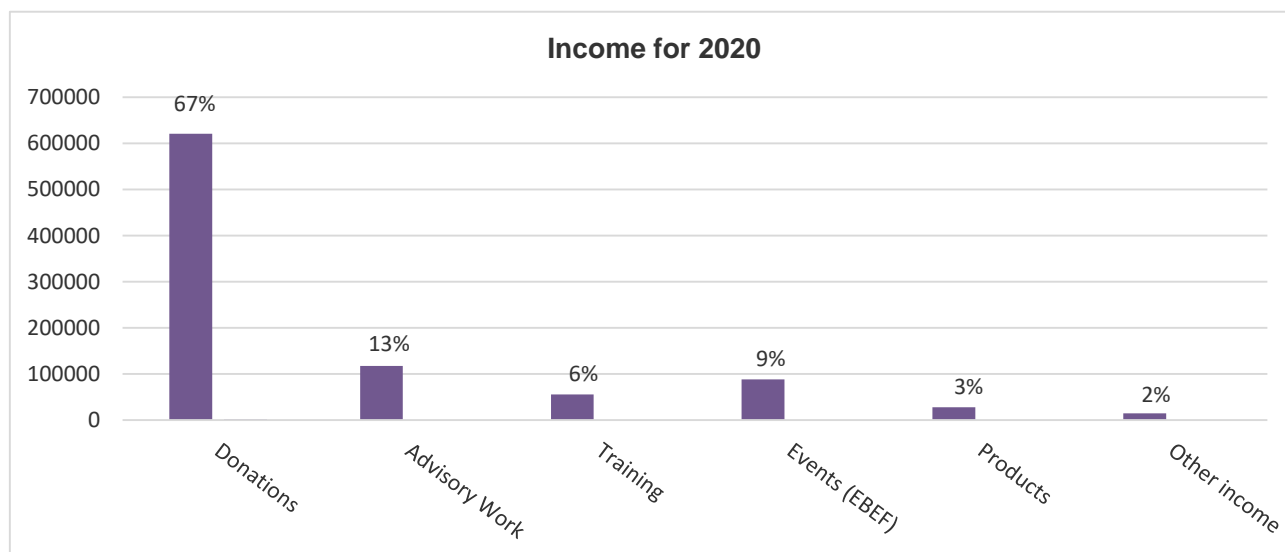
International Advisory Council

The Advisory Council members, who include the President and the Vice Presidents, provide the IBE with advice and guidance on its work programme, thought leadership and strategy. They are invited to attend bi-annual meetings and receive copies of the Director's reports and the IBE's events programmes and publications. In addition, The President and the Vice Presidents receive copies of the Trustees' meeting minutes. The Advisory Council does not form part of the Institute's formal governance structure. In 2019 the Council was renamed the International Advisory Council, with revised Terms of Reference, reflecting the wider geographic scope of the IBE.

Funding

The IBE receives financial support from corporate supporters, individuals, associations and trusts. The Institute also generates income from the provision of advisory services, training courses, project funding, the sale of publications and products and events.

Sources of income



Through their donations, IBE supporters help to promote ethical business practice. They are encouraged to engage with us via events, publications, advice and other services that the IBE provides. Diversification of cash funds and investments is regularly reviewed in order to reduce exposure of financial risk to any single institution.

Reserves & Going Concern

The income of the Institute of Business Ethics depends mainly on donations from companies, which can fluctuate from year to year. Any reduction in these can have a considerable impact on income. In addition, the Institute initiates and incurs costs for projects that may or may not generate equivalent revenue.

The Trustees regularly review the organisation's reserves policy and following board approval in November 2018, the following policy has been put in place based on three principles:

The first is to provide adequate working capital to cover the usual cash flow variability. Second is to cover unforeseen financial difficulties, and so allow time, should income unexpectedly fall off or unplanned expenditure be incurred, for the Board and management to take remedial action.

These two provide our normal operational reserves. Thirdly, we may also wish to hold additional 'earmarked' reserves – designated funds within our unrestricted reserves – so as to be able to make strategic investments in future.

When we receive income subject to specific stipulations which is unspent at the end of the financial year, the balance will be carried forward as restricted reserves, signalling they are not available for general purposes.

On working capital, a review shows we need a minimum of some £60,000 to cover routine operations for a 3-month period. This can be expected to rise if the trend to slow payment by supporters accelerates or if the balance of our work shifts away from annual subscriptions, for example towards advisory services paid on completion. Based on 2020 numbers, three months of fixed costs (salaries and rent) equates to £180,400.

Based on these calculations, the Board decided that for 2020 we should hold a minimum of £240,400 in reserves. The IBE met this policy during the reporting period and continues to do so. However, due to the fall-out from the Coronavirus pandemic the Board and management are continuing to monitor closely the level of reserves alongside income and expenditure.

At 31 December 2020 total reserves were £287,246, of which unrestricted free reserves were £243,318.

Note 15 of the accompanying accounts explains our future plans to disburse the restricted and designated funds held in reserve.

At the time of signing, the Trustees consider the Charity to be a going concern and have prepared the accounts on this basis.

Investment policy

Investments are stated at market value. The Trustees take into account social, ethical and environmental considerations when deciding where the Institute's funds are invested.

Remuneration policy

IBE is committed to ensuring that we pay our staff fairly, and in a way that ensures we attract and retain the right skills to have the greatest impact in delivering our charitable objectives.

The Board of Trustees approve the annual percentage increase in the payroll for all staff in November, for the following salary year beginning in January, taking into account RPI as at 30 September of the current year. The Board also approves any non-consolidated pay awards and staff salary increases outside of the annual review process as recommended from time to time by the Director.

The appropriateness and relevance of the remuneration policy is reviewed annually by the Director, who is entrusted to ensure that the review includes reference to comparisons with other charities, ensuring IBE remains sensitive to the broader issues e.g. pay and employment conditions, meets all national pay standards, and provides all paid staff with a living wage. Salaries are benchmarked against similar roles within like-minded charities, the Charity Salary Survey and other comparable roles.

The Director reviews all staff pay levels annually, and new proposals are put to the Board of Trustees for review and approval. The Director is in attendance for the meeting but leaves for any discussion regarding their own remuneration.

As of December 2020, the Board have established a Remuneration Committee, who will approve any changes to staff pay levels.

Pension policy

The IBE has adhered to the Auto-Enrolment Scheme, all employees are automatically enrolled in the company pension scheme and new employees will be automatically enrolled in the National Employment Savings Trust (NEST) in accordance with the company's obligations under the Pensions Act 2008.

Risk management

The risk register was revised and simplified in 2019, with trustees having identified 13 main residual risks. This is now reviewed at each Board meeting, with an ongoing commitment to managing those risks.

IBE CODE

The IBE has a Code of Ethics for all staff and Trustees, which is published on the website. It is to be reviewed and updated in 2021.

In order to mitigate reputation risk and avoid potential conflicts of interest, the Trustees have a Register of Interests of Trustees for internal use. This is completed by new Trustees on appointment and reviewed annually.

ANNUAL REVIEW OF BOARD EFFECTIVENESS

The Chairman conducted 1:1 interviews with each trustee in November 2020, collated feedback and presented a paper to the December board meeting on board effectiveness which was reviewed and agreed by trustees.

Statement of Trustees' Responsibilities

The Trustees 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).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these 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;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Trustees:

- ❖ David Grayson, CBE - Chair
- ❖ Mike Tuffrey - Treasurer
- ❖ Tom Beardmore-Gray (Retired Sept 2020)
- ❖ Jonathon Bond (Resigned Sept 2020)
- ❖ Cristina Cortes
- ❖ Ian Dyson QPM
- ❖ Jason Engelbrecht
- ❖ Loree Gourley
- ❖ Yetunde Hofmann
- ❖ Tim Langton
- ❖ Loren Shuster
- ❖ Louise Terry

International Advisory Council:

- ❖ Sir Tim Melville-Ross KBE – President
- ❖ Ian Barlow – Vice President
- ❖ Ram Gidoomal – Vice President
- ❖ Simon Thompson – Vice President
- ❖ Lord Green of Hurstpierpoint – Honorary Vice President (Resigned December 2020)
- ❖ The Baroness Howe of Idlicote CBE – Honorary Vice President
- ❖ Sir Robert Worcester KBE DL – Honorary Vice President

Members

- ❖ Iain Anderson
- ❖ Sir Brendan Barber
- ❖ Sir Douglas Flint CBE
- ❖ Mary Francis CBE LVO
- ❖ Annabel Gillard
- ❖ Dr Peter Harper
- ❖ David Jackson
- ❖ Rachel Lomax
- ❖ John Williams
- ❖ Sir Mark Moody Stuart
- ❖ Chris Moorhouse
- ❖ Sir Richard Olver FREng (Retired July 2020)
- ❖ Ruth Rawling
- ❖ Barbara Ridpath
- ❖ Robert Smith
- ❖ Professor Laura Spence
- ❖ Sir Kevin Tebbit KCB CMG
- ❖ Sir David Walker

Auditors

Sayer Vincent are appointed as the charity's auditors during the year and have expressed their willingness to act in that capacity.

The trustees' annual report has been approved by the trustees and signed on their behalf by

Dr Ian Peters, MBE
Director
29 June 2021

Independent auditor's report

To the members of

Institute of Business Ethics

Opinion

We have audited the financial statements of Institute of Business Ethics (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Institute of Business Ethics' 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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report

To the members of

Institute of Business Ethics

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which 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 directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

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

Auditor's 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

Independent auditor's report

To the members of

Institute of Business Ethics

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Judith Miller (Senior statutory auditor)

2 August 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Statement of financial activities

For the year ended 31 December 2020

	Note	Unrestricted £	Restricted £	12 months to 31 Dec 2020 Total £	Unrestricted £	Restricted £	15 months to 31 Dec 2019 Total £
Income from:							
Donations and legacies	2	611,224	10,000	621,224	485,575	37,000	522,575
Charitable activities							
Advisory		117,103	–	117,103	51,512	–	51,512
Training		60,075	–	60,075	35,337	–	35,337
Meetings & Events		88,742	–	88,742	876	–	876
Publications & Projects		33,077	–	33,077	11,223	–	11,223
Transfer of funds	1b	–	–	–	380,308	–	380,308
Other		10,345	–	10,345	3,392	–	3,392
Total income		920,566	10,000	930,566	968,223	37,000	1,005,223
Expenditure on:							
Raising funds	3	84,564	–	84,564	57,708	–	57,708
Charitable activities							
Advisory	3	251,943	–	251,943	178,335	–	178,335
Training	3	151,643	–	151,643	125,153	–	125,153
Meetings & Events	3	283,792	–	283,792	136,333	–	136,333
Publications & Projects	3	140,227	27,361	167,588	134,299	13,985	148,284
Total expenditure		912,169	27,361	939,530	631,828	13,985	645,813
Net income / (expenditure) before net gains on investments		8,397	(17,361)	(8,964)	336,395	23,015	359,410
Net gains on investments	10	438	–	438	176	–	176
Net income / (expenditure) before other recognised gains and losses	4	8,835	(17,361)	(8,526)	336,571	23,015	359,586
Gains / (losses) on foreign exchange		536	–	536	(787)	–	(787)
Net movement in funds		9,371	(17,361)	(7,990)	335,784	23,015	358,799
Reconciliation of funds:							
Total funds brought forward		335,784	23,015	358,799	–	–	–
Total funds carried forward		345,155	5,654	350,809	335,784	23,015	358,799

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. All movements in funds are disclosed above.

Balance sheet

As at 31 December 2020

Company number 11594672

	Note	£	2020 £	£	2019 £
Fixed assets:					
Tangible assets	9		5,037		3,123
Intangible assets	9		38,891		43,228
Share in Investing in Integrity Investments	17		-		2,500
	10		30,814		30,376
			<u>74,742</u>		<u>79,227</u>
Current assets:					
Debtors	11	33,014		111,890	
Cash at bank and in hand		464,265		333,404	
		<u>497,279</u>		<u>445,294</u>	
Liabilities:					
Creditors: amounts falling due within one year	12	221,212		165,723	
		<u>221,212</u>		<u>165,723</u>	
Net current assets			<u>276,067</u>		<u>279,572</u>
Total net assets			<u><u>350,809</u></u>		<u><u>358,799</u></u>
The funds of the charity:					
Unrestricted income funds:					
Designated funds	15a	57,909		55,693	
General funds		287,246		280,091	
		<u>287,246</u>		<u>280,091</u>	
Total unrestricted funds			345,155		335,784
Restricted funds	15a		5,654		23,015
			<u>5,654</u>		<u>23,015</u>
Total charity funds			<u><u>350,809</u></u>		<u><u>358,799</u></u>

Approved by the trustees on 29 June 2021 and signed on their behalf by

Ian Peters, MBE
Director

Statement of cash flows

For the year ended 31 December 2020

	year ended 31 Dec 2020		15 months ended 31 Dec 2019	
	£	£	£	£
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	(8,526)		359,586	
Gains on investments	(438)		(176)	
Loss on disposal of joint venture	2,500			
Depreciation and amortisation	14,168		732	
Decrease / (Increase) in debtors	78,876		(35,295)	
(Decrease) / Increase in creditors	55,489		85,319	
Net cash used in operating activities		142,069		410,165
Cash flows from investing activities:				
Purchase of fixed assets	(11,745)		(45,002)	
Net cash used in investing activities		(11,745)		(45,002)
Change in cash and cash equivalents in the period		130,324		365,164
Cash and cash equivalents on transfer of funds / start of period		333,404		349,336
Change in cash and cash equivalents in the prior period		-		(381,095)
Change in cash and cash equivalents due to foreign exchange		538		-
Cash and cash equivalents at the end of the period		464,266		333,404
Analysis of cash and cash equivalents				
	At 1 January 2020	Cash flows	Other changes	At 31 December 2020
	£	£	£	£
Cash in hand	333,404	130,324	538	464,266
Total cash and cash equivalents	333,404	130,324	538	464,266

1 Accounting policies

a) Statutory information

Institute of Business Ethics is a charitable company limited by guarantee and is incorporated in England and Wales on 28 September 2018.

The registered office address and principal place of business is 24 Greencoat Place, London, SW1P 1BE.

b) Basis of preparation

The financial statements have been prepared in accordance with 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) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

The prior period was a 15 month period with 9 months of activity and as a result, amounts presented in the financial statements are not entirely comparable with the prior year.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Key judgements that the charity has made which have a significant effect on the accounts include [estimating the liability from multi-year grant commitments].

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting policies (continued)

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering advisory services, meetings, publications and other educational activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support and governance costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

	Staff costs	Governance	Office Support
● Cost of raising funds	6%	10%	10%
● Advisory	17%	28%	28%
● Training	11%	17%	17%
● Meetings & Events	17%	26%	26%
● Publications & Projects	12%	19%	19%
● Support costs	32%		
● Governance costs	5%		

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

1 Accounting policies (continued)

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

o) Financial instruments

The charity only has both basic and non-basic financial assets and financial liabilities. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. Non-basic financial instruments are measured at fair value with any gain or loss going to the statement of financial activities. Full details are given in the financial instruments note.

p) Pensions

The charity operates a defined contribution scheme, whereby it will put in a contribution of 5% of an employee's gross salary. Pension contributions are paid monthly in arrears, and can commence once the employee has completed the standard 3 month probationary period. There is no obligation for any employee to join the scheme and the charity has no further obligations once payments have been made.

q) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rate in use is 4 years.

r) Intangible assets

The new IBE website, developed in 2020 went live on 13 January 2021. All installation and development costs have been classed as intangible assets. Support costs, website hosting and domain name costs are considered to be normal running costs and will be expensed in the period they are incurred.

Amortization is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The amortization rate in use is 4 years.

Institute of Business Ethics

Notes to the financial statements

For the year ended 31 December 2020

2 Income from donations and legacies

	year to 31 Dec 2020 Total £	15 months to 31 Dec 2019 Total £
Corporate subscriptions	607,858	480,375
Individual subscriptions	3,366	5,200
CRP (Contributed Income, Research & Publication Fund) – restricted fund	10,000	37,000
	<u>621,224</u>	<u>522,575</u>

All income sources listed above are unrestricted except for the £2,500 received in the current period which is restricted.

3 Analysis of expenditure (current period)

	Charitable activities							year to 31 December 2020 £
	Raising funds £	Advisory £	Training £	Meetings & Events £	Publications & Projects £	Governance costs £	Support costs £	
Staff costs (Note 5)	54,077	158,271	80,005	111,062	67,690	38,264	140,368	649,737
Project/product expenditure	-	-	9,058	-	-	-	-	9,058
Marketing & hospitality	-	6,144	9,217	12,289	3,072	-	-	30,722
Events	-	-	1,751	-	977	-	-	2,728
Publications	-	-	-	-	35,990	-	-	35,990
EBEF event	-	-	-	78,488	-	-	-	78,488
Other direct costs	-	334	(1,206)	-	-	6,233	-	5,361
Rent, rates & service charge	3,644	10,422	6,313	9,795	7,155	2,983	19,278	59,590
Office & IT equipment	337	963	583	905	661	276	1,781	5,506
Office costs	622	1,780	1,078	1,673	1,222	509	3,292	10,176
IT costs	1,035	2,959	1,792	2,781	2,031	847	5,473	16,918
Professional fees	579	1,656	1,003	1,557	1,137	474	3,064	9,470
Associate & Recruitment cost	1,105	3,162	1,915	2,972	2,171	905	5,849	18,079
Insurance	471	1,348	817	1,267	925	386	2,493	7,707
	61,870	187,039	112,326	222,789	123,031	50,877	181,598	939,530
Support costs	17,727	50,700	30,712	47,653	34,806	-	(181,598)	-
Governance costs	4,967	14,204	8,605	13,350	9,751	(50,877)	-	-
Total expenditure 2020	84,564	251,943	151,643	283,792	167,588			939,530

3 Analysis of expenditure (prior period)

	Charitable activities							15 months to 31 December 2019 £
	Raising funds £	Advisory £	Training £	Meetings & Events £	Publications & Projects £	Governance costs £	Support costs £	
Staff costs (Note 5)	37,564	94,253	61,297	66,099	55,276	26,619	93,541	434,649
Project/product expenditure	-	9,517	6,829	-	-	-	-	16,346
Marketing & hospitality	-	2,166	3,249	5,415	-	-	-	10,830
Events	-	-	4,002	12,774	-	-	-	16,776
Publications	-	-	-	-	39,497	-	-	39,497
EBEF event	-	-	-	-	-	-	-	-
Other direct costs	-	9,293	-	-	-	5,893	-	15,186
Rent, rates & service charge	2,449	7,671	6,050	6,326	6,504	2,435	13,084	44,519
Office & IT equipment	501	1,570	1,239	1,295	1,332	499	2,679	9,115
Office costs	633	1,984	1,565	1,636	1,682	630	3,384	11,514
IT costs	763	2,389	1,885	1,971	2,026	759	4,076	13,869
Professional fees	525	1,646	1,298	1,358	1,396	523	2,808	9,554
Associate & Recruitment cost	1,053	3,297	2,601	2,719	2,796	1,047	5,624	19,137
Insurance	265	831	655	685	704	264	1,417	4,821
	43,753	134,617	90,670	100,278	111,213	38,669	126,613	645,813
Support costs	10,690	33,490	26,415	27,620	28,398	-	(126,613)	-
Governance costs	3,265	10,228	8,068	8,435	8,673	(38,669)	-	-
Total expenditure 2019	57,708	178,335	125,153	136,333	148,284			645,813

4 Net income for the period

This is stated after charging / crediting:

	year to 31 Dec 2020 £	15 months to 31 Dec 2019 £
Operating lease rentals:		
Property	43,959	30,278
Other	18,480	16,472
Auditor's remuneration (excluding VAT):		
Audit	6,275	6,150
Foreign exchange gains or (losses)	536	(787)
	<u> </u>	<u> </u>

5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	year to 31 Dec 2020 £	15 months to 31 Dec 2019 £
Salaries and wages	573,312	384,376
Social security costs	58,164	38,368
Employer's contribution to defined contribution pension schemes	18,261	11,905
	<u>649,737</u>	<u>434,649</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the accounting period between:

	year to 31 Dec 2020 No.	15 months to 31 Dec 2019 No.
£70,000 – £79,999	<u>1</u>	<u>1</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £174,170 (2019: £118,067).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the period. No charity trustee received payment for professional or other services supplied to the charity.

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2019: £279) incurred by 0 members (2019: 1) relating to attendance at meetings of the trustees.

6 Staff numbers

The average number of employees (head count based on number of staff employed) during the accounting period was as follows:

	year to 31 Dec 2020 No.	15 months to 31 Dec 2019 No.
Raising funds	0.9	0.7
Advisory	2.4	2.2
Training	1.5	1.7
Meetings & Events	2.3	1.8
Publications and Projects	1.7	1.9
Support	4.5	3.8
Governance	0.7	0.7
	14.0	12.8
	14.0	12.8

The average number of employees (full time equivalents) during the accounting period was as follows:

	year to 31 Dec 2020 No.	15 months to 31 Dec 2019 No.
Raising funds	0.7	0.6
Advisory	2.1	1.8
Training	1.3	1.4
Meetings & Events	2.0	1.5
Publications and Projects	1.4	1.4
Support	3.9	3.1
Governance	0.6	0.6
	12.0	10.4
	12.0	10.4

7 Related party transactions

There are no donations from related parties to disclose for 2020 (2019: none) which are outside the normal course of business and no restricted donations from related parties.

8 Taxation

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

9 Fixed assets	Computers £	Total £
Cost – fixed		
At the start of the period	4,396	4,396
Additions in the period	3,725	3,725
At the end of the period	8,121	8,121
Depreciation		
At the start of the period	1,273	1,273
Charge for the period	1,811	1,811
At the end of the period	3,084	3,084
Net book value		
At the end of the period	5,037	5,037
At the start of the period	3,123	3,123
Cost – intangibles	Website £	Total £
At the start of the period	43,228	43,228
Additions in the period	8,020	8,020
At the end of the period	51,248	51,248
Depreciation		
At the start of the period	12,357	12,357
Charge for the period	-	-
At the end of the period	12,357	12,357
Net book value		
At the end of the period	38,891	38,891
At the start of the period	43,228	43,228

All of the above assets are used for charitable purposes.

10 Listed investments measured through profit and loss

	year to 31 Dec 2020	15 months to 31 Dec 2019 £
Fair value at the start of the period	30,376	30,200
Net gain / (loss) on change in fair value	438	176
	<u>30,814</u>	<u>30,376</u>
Fair value at the end of the period	<u>30,814</u>	<u>30,376</u>
Investments comprise:		
	2020	2019 £
UK Common investment funds	30,814	30,376
	<u>30,814</u>	<u>30,376</u>

11 Debtors

	2020	2019 £
Trade debtors	24,329	43,948
Other debtors	–	3,323
Prepayments	8,393	56,802
Accrued income	292	7,817
	<u>33,014</u>	<u>111,890</u>

12 Creditors: amounts falling due within 12 months

	2020 £	2019 £
Trade creditors	–	–
Sundry creditors	(5,123)	6,648
Taxation and social security	21,021	19,360
VAT	2,970	2,377
Accruals	44,340	33,605
Deferred income	158,004	103,733
	<u>221,212</u>	<u>165,723</u>

13 Deferred income

Deferred income comprises fees, corporate or individual subscriptions that have been paid in advance

	2020 £	2019 £
Balance at the beginning of the period	103,733	–
Amount released to income in the period	(103,733)	–
Amount deferred in the period	158,003	103,733
	<u>158,003</u>	<u>103,733</u>
Balance at the end of the period	<u>158,003</u>	<u>103,733</u>

14a Analysis of net assets between funds (current period)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible and intangible fixed assets	43,928	–	–	43,928
Net current assets	243,318	57,909	5,654	306,881
Net assets at 31 December 2020	287,246	57,909	5,654	350,809

14b Analysis of net assets between funds (prior period)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	46,351	–	–	46,351
Net current assets	233,740	55,693	23,015	312,448
Net assets at 31 December 2020	280,091	55,693	23,015	358,799

15a Movements in funds (current period)

	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
Restricted funds:					
Contributed Income, Research & Publication Fund	23,015	10,000	(27,361)	–	5,654
Unrestricted funds:					
Designated fund: Professionals against Corruption (PaC)	55,693	2,500	(284)	–	57,909
General funds	280,091	919,040	(911,885)	–	287,246
Total funds	358,799	931,540	(939,530)	–	350,809

The narrative to explain the purpose of each fund is given at the foot of the note below.

15b Movements in funds (prior period)

	Transferred in on 1 April 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2019 £
Restricted funds:					
Contributed Income, Research & Publication Fund	-	37,000	(13,985)	-	23,015
Unrestricted funds:					
Designated fund: Professionals against Corruption (PaC)	64,985	-	(773)	(8,519)	55,693
General funds	315,323	588,091	(631,842)	8,519	280,091
Total unrestricted funds	380,308	625,091	(646,600)	-	358,799

Purposes of restricted funds

Contributed Income, Research & Publication Fund

This is a fund from a series of requested donations for the purpose of the IBE Research and Publication Supporters Fund, that will allow IBE to create more resources and freely disseminate them more widely. The monies collected so far will be spent by Q2 of 2020.

Purposes of designated funds

Professionals against corruption

A group of professional services firms have reached an agreement with the IBE, to work together on an anti-corruption and anti-money laundering agenda,. The funds will be drawn down to facilitate research and projects connected to this agenda

16 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property		Equipment	
	2020 £	2019 £	2020 £	2019 £
Less than 1 year	-	101,595	-	309
1 - 5 Years	-	75,709	-	-
	-	177,304	-	309

17 Share in Investing in Integrity

The charity owned 50% of the issued ordinary share capital of Investing in Integrity Ltd, a company registered in England, with the remaining 50% owned by the Chartered Institute of Securities and Investments. The trustees believe that the company qualified as a joint venture for accounting purposes. Given the level of activities, consolidated accounts have not been prepared as the effect on both the Statement of Financial Activities and the Balance Sheet would be immaterial.

The company Investing in Integrity was closed down and wound up during 2020. All surplus funds (less processing fees) were split 50/50 between the IBE and the Chartered Institute of Securities and Investments.

	2020 £	2019 £
Turnover	-	-
Cost of sales	-	-
Gross profit	-	-
Administrative expenses	-	(114)
Loss for financial year	-	(114)

The charity's share of any profit or loss is 50% of the overall. Administrative expenses above includes payments made under gift aid to the controlling parties. The payment made to the charity has been included within voluntary income.

	2020 £	2019 £
The charity's share of the equity of Investing in Integrity consists of:		
Share Capital	-	2,500
Retained Earnings	-	121
Total	-	2,621