



**British Institute of
International and
Comparative Law**

Company number: 615025

Charity number: 209425

The British Institute of International and Comparative Law

Report and financial statements

For the year ended 31 December 2020

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For the year ended 31 December 2020

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The British Institute of International and Comparative Law

Reference and administrative information

For the year ended 31 December 2020

Company number	615025 – Registered in the United Kingdom	
Charity number	209425 – Registered in England and Wales	
Registered office & operational address	Charles Clore House, 17 Russell Square London, WC1B 5JP	
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report, were as follows: Professor Oladapo Akande Emeritus Professor John Bell Sonya Branch (to 07/12/2020) Professor Malik Dahlan Shaheed Fatima QC Philip Haberman (to 07/12/2020) Lord Lloyd Jones (to 22/09/2020) Sir Iain Macleod Professor Catherine O'Regan (to 07/12/2020) Nigel Parr Constantine Partasides Elizabeth Perks (from 07/12/2020) Keith Ruddock Rupert Skilbeck (from 16/09/2020) Diana Wallis Andrew Whittaker (to 20/07/2020) Chair	
Key Management Personnel	Professor Spyros Maniatis Patricia Ambrose Peter Bond Stephen Oates	Institute Director Institute Deputy Director (to 31/12/2020) Chief Operating Officer (from 01/01/2021) Director of Finance
Bankers	CAF Bank Limited 25 Kings Hill Avenue, Kings Hill West Malling, Kent, ME19 4JQ	HSBC plc 1 Woburn Place, Russell Square London, WC1H 0LQ
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House, 108–114 Golden Lane, London, EC1Y 0TL	

Trustees' annual report

For the year ended 31 December 2020

The Trustees are pleased to present their report and the audited financial statements for the year ended 31 December 2020.

The reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory and company law requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The British Institute of International and Comparative Law (BIICL, the Institute) is an independent charitable research body. Our key purposes are to develop and advance the understanding of international and comparative law in the UK and around the world, and to promote the rule of law in national and international affairs. Through our work, we seek to improve decision-making on law and policy issues, and so have a positive impact on people's daily lives.

Our organisational vision is for BIICL to be an independent leader in applied legal research and ideas: informing debate, policy and practice; upholding and maintaining humane and democratic values; promoting evidence-based decision-making; and contributing to the upholding of the international legal order and the rule of law in the UK and worldwide.

We aim to make a unique contribution as an independent and authoritative voice on international and comparative legal issues by:

- providing high quality applied research, based on strong conceptual foundations, that influences law and policy-making; and
- promoting the application and wider dissemination of our research through publications, events and training.

BIICL has no recurrent core funding. We receive funding for our research and other activities from a wide variety of bodies, including research councils, law firms, national governments, international and regional organisations, private trusts and foundations, and non-governmental organisations, as well as BIICL members, training delegates and event attendees. In many instances, our research projects have more than one funder.

BIICL's Strategic Plan 2019–2023 is organised under four main themes:

- continued excellence and independence;
- developing and growing;
- open BIICL; and
- improving our organisation.

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For the year ended 31 December 2020

The Strategic Plan highlights the context, key risks, opportunities and challenges for each of these themes and identifies objectives and targets to be achieved over the five year period.

The Trustees review progress against the Strategic Plan on a regular basis to ensure our activities are consistent with our aims and support our public benefit mission. This report considers what BIICL has achieved during 2020 and the outcomes, impacts and benefits of our work.

Principal Activities

Membership

BIICL membership is open to all people, both in the UK and around the world. Our members come from: legal practice (including solicitors and barristers); academia (staff and students); the judiciary; corporations and other commercial bodies; government and non-governmental organisations; and members of the wider public who are interested in the many aspects of international and comparative law.

Members benefit from access to BIICL's research outcomes, as well as opportunities to contribute to specialist discussion groups and to network with the diverse range of people and organisations with whom we interact. The diversity of BIICL's membership, as well as the many non-members who attend our events, and our ability to engage across a broad range of international and comparative legal issues, ensures that BIICL remains a relevant and essential institution. We also convene Fora of experts in four areas (Business and Human Rights, Competition Law, Investment Treaty Law and Product Liability).

Research

BIICL's research is co-ordinated via three Centres: International Law; Comparative Law; and the Bingham Centre for the Rule of Law. Our focus is primarily on practical and applied research, based on strong conceptual foundations, which offers examples of good practice, recommendations for future improvements and seeks to have an impact on law and policy. The research often crosses traditional boundaries of law, integrating private and public international law, for example, and engaging with national, regional and comparative law. Our research is always independent, irrespective of its funding source.

Events and Training

BIICL organises an extensive public events programme covering a broad spectrum of current legal topics within the areas of our expertise. These events typically include full day conferences, shorter seminars and lectures.

We also undertake a range of training activities to provide information, practical assistance and capacity building to governments, institutions, firms, corporations, groups, individuals and others. This training occurs in the UK and around the world.

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For the year ended 31 December 2020

Publications

BIICL's main publication is the *International and Comparative Law Quarterly*, which is produced by Cambridge University Press and is recognised as one of the leading journals in its field. BIICL also occasionally publishes books, mainly of our own research, as well as some by other experts in our fields of work. Most of our research projects also produce final reports, many of which are publicly available to download for free from our website (www.biicl.org).

Volunteers

BIICL offers flexible, part-time and short-term opportunities for people to volunteer for the charity (typically postgraduate law students) and to assist in our research and related activities. We aim to offer interesting and developmental opportunities that include training and skills development. During 2020, we benefited from the support of 11 research volunteers.

Public Benefit

The Trustees confirm that they have paid due regard to the public benefit guidance published by the Charity Commission in deciding on BIICL's activities. In particular, the Trustees consider how planned activities will contribute to our aims and objectives.

BIICL considers that its activities are of public benefit in at least the following ways:

- provision of independent research to external bodies, including governments, for the purpose of assisting these bodies to formulate public policy, such as future regulation and legislation, which can have significant benefit for people in the UK and elsewhere in the world;
- provision of information, education and training to build capacity in the UK and around the world in the application and enhancement of international and comparative law, and the rule of law, to support the judiciary, government legal officials and civil society;
- dissemination of research and information about international and comparative law directly to BIICL members, including legal scholars, judges, barristers, solicitors, students, advisers to governments, corporations and non-governmental organisations, who are then better able to advise public and private bodies accurately about international and comparative legal issues;
- dissemination of research and information about international and comparative law, and the rule of law, to the general public, especially to all those interested in these matters, who are then better informed in their active engagement with these issues;
- offering a wide range of conferences, seminars, lectures, training courses and other events on contemporary issues of international and comparative law, and the rule of law, that are open to the general public to attend, as these issues may affect their daily lives and/or better inform them about these important issues;
- dissemination to the general public of matters of international and comparative law, and the rule of law, by the printing and distribution of publications and journals;
- publication of the Institute's activities, newsletters and other information to the general public on the Institute's website; and

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For the year ended 31 December 2020

- contributing to the broader education of the general public about the many important aspects of international and comparative law, and the rule of law, and the impacts these may have on national systems.

Some specific examples of the provision of public benefit through the activities carried out by BIICL in 2020 are provided below.

Achievements and performance

BIICL's main activities and beneficiaries during the year are described below. All of our charitable activities focus on international and comparative law, and the rule of law, and are undertaken to further BIICL's charitable purposes for the public benefit. The COVID-19 pandemic had a major impact on our activities during 2020, with many of our events and training courses being delivered via online platforms. We were particularly successful at securing new research funding during this year, some of which was related to the implications of the pandemic in relation to international law and the rule of law. The BIICL team has risen superbly to the challenge of keeping our programme of research, events and training running during this challenging time and the trustees thank them for their resilience and energy and for all that they have achieved despite these very difficult circumstances.

Membership

BIICL membership (comprising both individuals and organisations) was 324 at the end of 2020 (2019: 320). Membership income was £50,033 (2019: £59,290), the decrease being due to a change in applicable VAT rates. We continue to focus on recruitment and retention of members within our Marketing Strategy.

During 2020, we continued to support four Forums in the areas of: Business and Human Rights; Competition Law; Investment Treaty Law; and Product Liability. All of our Forums make an important contribution to the work of BIICL, provide opportunities to explore current issues and prompt further research. Total Forum membership in 2020 was 110, comprising 79 organisations and 31 individuals (2019: 109, comprising 81 organisations and 28 individuals). Forum membership income was £253,633 in 2020 (2019: £190,538). (Income in 2019 was partly affected by the write-off of some old debtors.)

Research

BIICL continued to develop its active and responsive programme of practical and applied research during 2020. We received funding from several external organisations to support a diverse range of research topics, including work in the following areas:

- a two-year project on *Determinants of Anti-Trafficking Efforts*, funded by the US Government, which is analysing the processes which influence governments' anti-trafficking measures and exploring how factors interlink to yield change in government policy;
- a report on *Offshore Methane Hydrates in Japan: Prospects, Challenges and the Law*,

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supported by the Japan Society for the Promotion of Science, which explores the place of the natural gas produced from those hydrates in Japan's overall energy policies, and how the country might best prepare for the onset of natural gas production from those offshore assets;

- a new study by BIICL and White & Case LLP which provides the first comprehensive empirical study on provisional measures in investment treaty arbitration, offering unique insights into how international tribunals treat such applications;
- a report by BIICL and the Global Health Academy of the University of Edinburgh, funded by A4ID/ROLE UK, on *The Rule of Law in Times of Health Crisis*, which contends that the rule of law contributes to an effective pandemic response by promoting transparency, clarity, participation, engagement and representation, international cooperation, equality, accountability and anti-corruption, among other principles;
- a study for the European Commission to evaluate the application of the Rome II Regulation; and
- a new Rule of Law Monitoring of Legislation project, led by the Bingham Centre, with funding from to monitor the compatibility of UK Government Bills with the internationally agreed standards in the Venice Commission's Rule of Law Checklist. The Project produces independent, expert reports to ensure that any Rule of Law issues are identified early and subjected to rigorous scrutiny and debate in Parliament.

BIICL's Annual Impact Reports provide further details of our achievements and research impacts. Copies may be downloaded from our website (www.biicl.org).

Events and training

BIICL's programme of events and training underwent significant challenges and change during 2020. From the time of the first lockdown in March 2020, all events, conferences and training courses were provided online. Despite the challenges, BIICL continued to attract expert speakers from diverse backgrounds and experiences, and we saw significant growth in the global audience for our events.

Our popular short course, *Public International Law in Practice*, ran again in 2020. Other new short courses were provided during the year on *Business and Human Rights*, *Climate Change Law* and *Law of the Sea*. We also trialled a course in *Comparative Business Law* in partnership with ESCP Europe Business School.

2020 saw the launch of two online, remote learning courses. The first of these, *Citizenship and the Rule of Law*, was developed in collaboration with the University of London and Coursera and is aimed at (aspiring) lawyers, campaigners and students interested in learning more about the practical requirements of the Rule of Law and its application to everyday situations. The course has already engaged over 2,000 active learners and achieved more than 600 completions.

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Early in 2020, BIICL also launched an online course in International Investment Law and Dispute Resolution. By bringing together leading experts in the field, this course enables participants to understand the theory and practice of international investment law and dispute resolution. The course has proved to be popular with practitioners, leading law firms and governments from around the world, attracting over 5,000 learners since its launch.

Understandably, the impact of the pandemic was a significant theme running through many of our events in 2020. It featured in a diverse range of topics including: avoiding and minimising violations of international investment law; guidelines for the resolution of disputes in the pandemic; international and comparative perspectives on compensation schemes for COVID-19 vaccines; legislative responses to the coronavirus pandemic by different states; product liability and emergency products; and the impact of the pandemic on human trafficking. Early in the first lockdown, BIICL hosted a very popular webinar on *COVID-19 and International Law: What went wrong?* featuring a conversation between award-winning author and international lawyer, Philippe Sands, and the international health law expert and WHO former legal counsel, Gian Luca Burci.

Other significant themes covered in the events programme included climate change, artificial intelligence (AI), Big Data and modern slavery. Another topical issue was covered in a webinar on *Toppled Statues and Monuments: Perspectives on the Global Movement Confronting Heritage*.

In cooperation with the School of International Arbitration at Queen Mary University of London and Babcock University, BIICL organised the first African Arbitration Day, an authoritative conference on recent developments and topics of interest in international arbitration in Africa. The Annual Harry Weinrebe Memorial Lecture was held on the topic of *Inclusivity and the Law: Do We Need to Prohibit Class Discrimination?* BIICL and the Institute of Small and Micro States (ISMS) co-hosted a two-day conference on human rights as they relate to small and micro states, the fifth in a series of events on issues relating to small states.

In 2020, BIICL's income from events and training courses was £183,251 (2019: £326,168). During the pandemic many events were provided as free online webinars or at a much reduced cost. There were 85 events during the year (2019: 68).

Publications

The *International and Comparative Law Quarterly* (ICLQ) continues to attract a very high standard of scholarship from around the world in the fields of public international law, private international law, comparative law, human rights law and European law. The journal is managed by an active Editorial Board of senior academics and retains its reputation as a world leading academic legal journal, with a high impact factor. A strict peer review system is operated to ensure that articles are selected purely on merit. This reflects the independence of the ICLQ and BIICL.

Cambridge University Press manages production, marketing and distribution of the ICLQ and provides additional support. Overall income from the ICLQ was £247K in 2020 (2019: £243K). In

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addition to the journal, BIICL occasionally publishes its own books. No new priced titles were published in 2020 (2019: 0). Income from book sales in 2020 was £5,712 (2019: £6,156).

BIICL also produces working papers, research reports, responses to government proposals and other submissions, many of which are freely available to download from our website. Staff also regularly publish their own research in other academic journals and books.

Public Benefit

Much of BIICL's work makes an active contribution to our public benefit mission. Our diverse range of research, events, training and publications continues to enable increased public knowledge and awareness of important issues of international law, comparative law and the rule of law. We list below some selected examples of the impact of our work during 2020:

- The UN Special Rapporteur on the Rights of Persons with Disabilities, Catalina Devandas Aguilar, cited our 2017 report, *Access to justice for persons with disabilities: From international principles to practice* (Julinda Beqiraj, Lawrence McNamara, Victoria Wicks), in her report on *Interim Principles and Guidelines on Access to Justice for Persons with Disabilities*;
- Senior Research Fellow, Jean-Pierre Gauci, contributed to the outcomes for a practice guide to be published by the Regional Support Office of the Bali Process on smuggling and trafficking at sea;
- Various reports and blogs on the UK Internal Market Bill (Ronan Cormacain, Murray Hunt, Oliver Garner) were extensively referred to during Parliamentary debates and by legal journalist, Joshua Rozenberg, amongst others;
- Senior Research Fellow, Duncan Fairgrieve, made several appearances on French television on Brexit-related legal issues; and
- Our *Reimagining the Law* initiative showcased the views of many academics, former judges, practitioners and commentators on ways in which some aspect of the law or our justice system might be reimagined and improved, in just 50 words. There was an overwhelming response to our call for submissions with up to five contributions each day on the website during June 2020.

We measure our overall performance against the strategic aims and objectives set out in our Strategic Plan. Analysis of the second year of progress against our new Strategic Plan 2019–2023 illustrated a reasonable level of progress against our objectives and targets, despite the challenges of the pandemic. Some key indicators of progress during the year include:

- The growth of our training programme, with new courses in Business and Human Rights, Climate Change Law and Law of the Sea, and our first online course on International Investment Law;

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- The establishment of the new Modern Slavery and Human Rights Policy and Evidence Centre, led by BIICL's Bingham Centre for the Rule of Law in partnership with Rights Lab at the University of Nottingham, the Wilberforce Institute at the University of Hull, the Centre for the Study of International Slavery at the University of Liverpool, the Bonavero Institute on Human Rights at the University of Oxford and The Alan Turing Institute;
- Extending our public engagement mission through the *Reimagining the Law initiative* which invited leading legal professionals to reimagine an area of the law or justice system, and share their thoughts as part of a series of themed blogs; and
- Securing significant new research funding in collaboration with a range of new UK and international partners.

Beneficiaries of our services

Beneficiaries of BIICL's research and other activities are diverse and include: legal practitioners; academics; the judiciary; corporations and other commercial bodies; government and non-governmental organisations; and members of the wider public.

Financial review

The Statement of Financial Activities shows that overall income increased during 2020 by 40%, from £2,858K in 2019 to £3,998K in 2020. The net increase comprises a 20% decrease (£262K) in Unrestricted Fund income and a 91% increase (£1,402K) in Restricted Fund income.

Total expenditure increased by 18% to £3,336K (2019: £2,825K). Unrestricted Fund expenditure increased by 4% (£53K), and Restricted Fund expenditure increased by 30% (£458K).

The Institute has a surplus for the year on Unrestricted Funds of £11K (2019: surplus £161K) and a surplus on Restricted Funds of £698K (2019: net outgoing resources £19K). Total fund balances increased by £709K (2019: an increase of £142K) to £2,655K (2019: £1,946K). This was after taking into account net unrealised gains on investments of £48K (2019: net gains £109K).

Restricted Fund income has been recognised in accordance with the current Statement of Recommended Practice Accounting and Reporting by Charities (the Charities SORP). This treatment may mean that income is not recognised in the same period as the related expenditure. Over time Restricted Fund income should match expenditure, although significant surpluses or deficits may occur in certain years depending on the timing of income and expenditure.

The 2020 income on Restricted Funds primarily relates to:

- Donations to the Bingham Centre received in respect of the Bingham Appeal;
- Donations from the Dorset Foundation which contributed to the establishment of a public events space;
- Grant funding from the Sybil Shine Memorial Trust for a Youth and Public Engagement

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Programme

- Grant funding from the Open Society Institute and the Digital Freedom Fund for a research project on big data and algorithms;
- Grant funding from the United States of America Department of State for a Trafficking in Persons research project;
- Grants from various funders for the establishment of an Independent Commission on UK Counterterrorism Legislation, Policy and Practice
- Grant funding from the Arts and Humanities Research Council for the establishment of a Modern Slavery Policy and Evidence Centre.

The Trustees reaffirmed BIICL's investment policy, which seeks to produce the optimum total return, balanced between income and capital, from its investment portfolio. The performance of our investment funds is monitored by the Finance and Audit Committee for the Trustees. Our funds are invested in an investment fund for charities, which provides us with a suitable balanced portfolio coupled with ready liquidity. BIICL pursues an ethical investment strategy and our investment manager is committed to responsible investment as a signatory to the United Nations Principles for Responsible Investment.

The average yield on investments in 2020 was 2.0% (2019: 2.8%). The average (unrealised) movement in the market value of investments in 2020 was a 5.0% increase (2019: 12.9% increase).

Pensions

During 2020, BIICL participated in two funded pension schemes: one defined benefit scheme and one defined contribution schemes. Further details are provided in note 18 to the financial statements.

Principal risks and uncertainties

The Trustees operate a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the risks faced by BIICL, prioritising these in relation to impact, likelihood of occurrence and overall risk level, and identifying mitigating factors and ways to manage the risks. In addition, all risks are owned by a member of BIICL's management team. This risk register is regularly reviewed by the Finance and Audit Committee and by the Trustees, to ensure that it is kept up-to-date. As part of this process the Trustees have reviewed the adequacy of the Institute's current internal controls and the costs of operating particular controls relative to the benefits obtained. Procedures have been established for reporting failings immediately to appropriate levels of management and to the Board of Trustees.

The Trustees consider that the lack of recurrent core funding represents a significant risk to the Institute. To mitigate this risk, the Trustees continue to seek core funding as a key part of our fundraising activity. During 2020, we continued to secure donations through our Appeals to assist with future growth of our strategic priority areas and to contribute towards major refurbishment costs.

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The financial impact of the COVID-19 pandemic has had a significant effect on the Institute's finances in 2020, particularly with regard to income derived from events and training courses. The high risk of a continuing impact in 2021 was considered when setting the Institute's operating budget for 2021 and substantial mitigation was achieved by re-designing the training programme to be delivered wholly online. This approach is likely to continue into 2022.

Taken together, the Trustees consider that the lack of recurrent core funding and the impact of the COVID-19 pandemic could present a potential risk to the continued going concern status of the Institute in future years. The Trustees are mindful of this risk and have reviewed a financial scenario for 2022 which adopted a worst case scenario approach with regard to income streams that are volatile or unsecured, and identified mitigating actions which could be taken should the need arise. As a result, the Trustees consider that there are currently no material uncertainties about the Institute's ability to continue as a going concern.

All fundraising and other income generation activities abide by our Guidelines for Ethical Funding.

In addition to our fundraising activities, we continue to diversify and seek new sources of income for our research and training activities.

Reserves policy

Free reserves available for use by BIICL are deemed to be those that are readily realisable, less those funds whose uses are restricted or designated for particular purposes. The calculation thus excludes funds of £1,616K (2019: £1,388K) invested in property and other fixed assets that will continue to be used in the day-to-day running of the Institute.

As a matter of policy, each year the Trustees review the value of the reserves retained in the form of investments, cash and cash equivalents not held for restricted purposes or designated projects. The Board of Trustees considers BIICL's exposure to major risks in terms of their likely impact on its income sources and planned expenditure in the short to medium term, as well as assessing the best way to manage such risks.

The present target for free reserves is a minimum of 50% of the year's audited figure for total unrestricted resources expended, to recognise the risks relating to lack of recurrent core funding and to enable the Institute to cope with any emergencies. As at 31 December 2020 this target equates to £679K (2019: £653K).

The exceptional expenditure on major building refurbishment in 2019 and 2020 represents a substantial investment in our office and event space in a building that has had no major improvements since it was built in the late 1970s. Trustees saw this investment as necessary to bring the building's services and infrastructure up to 21st century standards. As a result, there has been a substantial increase in BIICL's fixed assets; however free reserves did not decrease because they have been defined to exclude capital costs represented by fixed assets net of the associated loan.

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While we have excluded fixed assets when calculating our free reserves, in line with Charity Commission advice, our liquid assets have not in large part been committed to the fixed assets. As a consequence, applying this usual treatment does not fairly represent the underlying reality for the organisation. Our calculation of free reserves, therefore, now takes into account both the value of fixed assets and the value of a related loan from the University of London of £1,018K (2019: £775K).

The Covid-19 pandemic has had a significant effect on BIICL's finances and activities during 2020. While income from our events and training has been considerably lower, this has been mitigated by providing many events and courses online. Research income is also significantly higher than budgeted and the BIICL 60+ Appeal has continued to bring in new unrestricted funding to the organisation. The capital spend on the refurbishment is an exceptional item and no further expenditure on this scale is expected for a considerable time. Trustees do, however, recognise that a key priority for the next few years will be to rebuild free reserves back to the target level as soon as practicable. This will be achieved through a variety of measures including income growth from new training activities, research funding, consultancy services, fundraising and international partnerships. Expenditure will be closely monitored by the Board and cost-cutting measures implemented, if necessary.

BIICL's free reserves are calculated as follows:

	2020	2019
	Total	Total
	£K	£K
General funds at 31 December	382	356
Expendable endowment fund at 31 December	<u>122</u>	<u>122</u>
Free Reserves	<u>504</u>	<u>478</u>

The Trustees will continue to keep this policy under review.

Fundraising

BIICL undertakes a peer-to-peer approach to fundraising which is governed by our Guidelines on Ethical Funding. We have a small, in-house Development team of four staff, who operate with support from our trustees, senior staff and other volunteers (typically senior lawyers or former law firm partners). BIICL does not use any external fundraisers or other commercial participators.

We have received no complaints about our fundraising activity and there have been no failures to comply with fundraising standards or regulation. BIICL's peer-to-peer approach to fundraising ensures that vulnerable people and other members of the public are protected from any unreasonable behaviour and intrusion. Our Donor Privacy Policy is available on our website.

Plans for the future

BIICL's Strategic Plan 2019–2023 provides the framework to guide and inform our future plans. Like many other organisations, our programme of work continues to be affected by the COVID-19

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pandemic. In response, as discussed earlier in this report, we have adapted our events and training activities and have worked hard to maximise our research income, including several new projects related to the impact of the pandemic. Some of our plans related to partnership working and new funding streams may take longer to be realised than we initially anticipated, but we have continued to develop new and existing relationships with both national and international partner organisations and universities. The contribution of our work to upholding international law and the rule of law has arguably never been more important, as States around the world struggle to find the most effective legislative and medical responses to the pandemic alongside other global challenges.

The Trustees are mindful of the risks presented by the Institute's lack of recurrent core funding and the impact of the COVID-19 pandemic, and recognise the need to develop new income-generating activities as part of the Institute's business development strategy. This strategy includes:

- Plans to develop our individual membership offering to increase membership income.
- Developing a strategy for seeking major gifts.
- Plans for generating income from expanded education and training, including an expanded programme of short courses and the development of a programme of executive education.
- The development of a postgraduate degree programme with the potential to admit students from Autumn 2023. This is a major long-term goal for a substantial and sustainable new income stream.

Structure, governance and management

Trustees

BIICL is governed by its Memorandum and Articles of Association adopted on 2 October 1958 and last amended on 13 September 2010.

The present Trustees, and any past Trustees who served during the year, are listed on page 1 of this Annual Report, together with the Institute Director and key management personnel.

The Board of Trustees is responsible for the overall governance of the Institute and the total number of Trustees may not exceed eighteen. Trustees are in office for a term of three years and may not serve more than two consecutive full terms.

Trustees meet at least 4 times a year. Apart from the Annual General Meeting, these meetings consist of formal Board meetings, held every quarter. At these meetings, Trustees review and set overall strategy and operational performance, as well as review the direction of BIICL research, events and publications.

Effective partnership between Trustees and BIICL staff continues to contribute significantly to our success. The Board delegates the exercise of certain powers in connection with the management and administration of the Institute as set out below. This is monitored by regular reporting to the Board, and by receipt and discussion of reports by the Institute Director and other staff as required,

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so that all decisions made under delegated powers can be ratified by the full Board in due course. In addition, each Trustee is a mentor to a member of the Institute's staff. These measures ensure that Trustees have the necessary understanding for effective and informed decision-making.

Trustee Recruitment, Induction and Training

Trustees are nominated by the Board of Trustees and elected to the Board at BIICL's Annual General Meeting. Generally, Trustees have already had an involvement with our activities, which ensures a broad understanding of BIICL's work. Special advisors to the Board of Trustees are co-opted on an *ad hoc* basis. The Board is undertaking a review of its trustee recruitment processes during 2021 in accordance with BIICL's new Diversity Policy.

All new Trustees receive a general induction to BIICL's governance and operations by the Institute Director, Company Secretary and other senior staff. Training on specific matters is available, where appropriate. Sometimes this training takes the form of a presentation to the Board of Trustees by a guest speaker or a member of staff.

Finance and Audit Committee

The members of the Finance and Audit Committee are appointed by the Board of Trustees. The members during 2020 and 2021 were:

- Trustees: Philip Haberman (Chair, to 07/12/20), Elizabeth Perks (Chair, from 08/12/20) and Nigel Parr;
- Former Trustees: Adam Johnson, Sonya Branch (to 07/12/2020) and Sir Stanley Burnton;
- External Members: Aimee-Jane Lee.

The Committee met 4 times during 2020. Meetings were also attended by the Institute Director, Institute Deputy Director, Director of Finance and the Director of the Bingham Centre.

Membership of the Committee shall include at least two BIICL Trustees (one of whom must be the Chair of the Committee). Other members shall comprise former Trustees or other independent external individuals with recent and relevant experience and expertise in finance, audit or other appropriate areas. Committee members should have no executive responsibility for the management of BIICL and no significant interests in the institution. The Chair of the Board of Trustees shall not be a member of the Committee. There shall be no fewer than five members. A quorum shall be at least three members (one of whom must be a Trustee).

Trustee member appointments to the Committee shall be in line with their Trustee terms of office. Other members shall be appointed for an initial term of three years and may serve for one further consecutive term. Appointments to the Committee are staggered to ensure some regular turnover of members.

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The Committee's terms of reference are:

Financial issues

- To be responsible for the financial review of BIICL's activities including: financial results; risk assessment and management; and internal financial controls.
- To determine an annual budget for recommendation to the Board of Trustees.
- To ensure proper procedures are in place to manage cash resources prudently and to maximise income from liquid assets whilst maintaining sufficient funds to meet daily cash requirements.
- To review the strategy, policy and management of BIICL's investment portfolio, and to advise the Board of Trustees on the appropriate level of free reserves and of any significant changes needed in the investment strategy.
- To determine the policies applicable to the annual salary review of BIICL staff and any general staffing salary issues, and to advise on specific staffing salary and other benefits issues, for recommendation to the Board of Trustees.

Audit issues

- To consider all aspects of the external audit, including appointment and remuneration of the external auditor, the nature and scope of the statutory audit, the recommendation of audited financial statements to the Board of Trustees, and the discussion of issues raised in the external auditor's management letter.
- To ensure that the annual financial statements are true and fair and conform to accounting standards, and that accounting policies are appropriate and applied consistently.
- To review the performance reported in the Trustees' Annual Report and to ensure that this is a true reflection of the charity's performance.
- To review all reports prepared by the external auditor and to agree the programme of work proposed by management to address any issues raised.
- To review the process for awarding non-audit work to the external audit firm and to ensure that potential conflicts of interest are managed in the best interests of the charity.
- To monitor the compliance of BIICL with applicable laws and regulations, as well as its own policies and procedures

Research Ethics Committee

The Board of Trustees established a Research Ethics Committee in 2015, with responsibility for the development and implementation of policy and processes relating to research ethics.

Its terms of reference are:

- to consider new research proposals in line with BIICL's research ethics policy and process, and to approve, refer or decline proposals, as appropriate;
- to monitor and review the effective application and operation of BIICL's research ethics policy;
- to advise BIICL's Board of Trustees on developments relating to research ethics policy, good practice and implementation.

Trustees' annual report

For the year ended 31 December 2020

The Chair of the Committee is a Trustee or former Trustee appointed by the Board (Emeritus Professor John Bell). Other members comprise: one other BIICL Trustee; two lay members; the Institute Director; three Senior Research Fellows, at least one of whom will be from the Bingham Centre; and the Institute Deputy Director.

Advisory Panels

Advisory Panels operate in each of the main BIICL research areas, with Panel members appointed for their expertise in these fields of law.

Institute Director

The Institute Director is responsible for the day-to-day management of the Institute's affairs and for implementing strategies agreed by the Board of Trustees. The Institute Director is assisted by a team of senior managers and senior researchers, with whom there are regular meetings.

Corporate Governance

Internal controls over all forms of financial commitments, obligations and expenditure continue to be refined to improve efficiency and as part of ongoing internal risk assessment processes. Policies and procedures are in place to ensure that performance is monitored and that appropriate management information is prepared and reviewed regularly by both senior management and the Board of Trustees.

The systems of internal control are designed to provide reasonable but not absolute assurance against material misstatement or loss. These are contained within BIICL's Financial Regulations and Procedures and include:

- an annual budget approved by the Trustees;
- regular consideration by the Trustees of financial results, variances from budgets, non-financial performance indicators and benchmarking reviews;
- delegation of day-to-day management authority and segregation of responsibilities; and
- identification and management of risks.

All Trustees give their time voluntarily and receive no benefits from the charity. Trustees' expenses reimbursed in 2020 were £nil (2019: £4,155 for one trustee's travel and accommodation costs reimbursed in connection with a conference attendance and a business development trip to Hong Kong). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

Related parties and relationships with other organisations

BIICL sometimes receives grants from The International Rule of Law Project Inc. (IROLP), a US public charity established by supporters of BIICL, tax exempt under Section 501(c)(3) of the US Internal

Trustees' annual report

For the year ended 31 December 2020

Revenue Code. IROLP is governed by its own independent Board, which includes the Institute Deputy Director (Patricia Ambrose). No grants from IROLP were received in 2020 (2019: no grants received).

Remuneration policy for key management personnel

The Finance and Audit Committee makes an annual recommendation to the Board of Trustees on the general principles to operate in relation to the remuneration of all staff, including key management personnel. In determining these general principles, the Finance and Audit Committee considers the following matters:

- UK inflation (CPI/CPIH) over the period and any other general economic matters;
- comparator sectors' salaries and salary increases, being the higher education sector; the charity sector; and the public sector;
- BIICL's financial position in the previous year and expected financial position in the current year; and
- Information on any changes in roles and levels of responsibility, as well as the overall performance of staff at their annual reviews.

Once the Board of Trustees has agreed these principles, the Institute Director applies them to individual staff members as part of the annual review process. The salary of the Institute Director is decided by the Board of Trustees on the recommendation of the Chair of the Board, taking account of the same general principles.

Statement of responsibilities of the Trustees

The Trustees (who are also directors of the British Institute of International and Comparative Law 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

Trustees' annual report

For the year ended 31 December 2020

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;
- there are no material uncertainties relating to BIICL's ability to continue to adopt the going concern basis of accounting;
- 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 31 December 2020 was 324 (2019: 320). The Trustees are members of the charity but this entitles them only to voting rights.

The Trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report has 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

20 September 2021
Keith Ruddock
Chair of the Board of Trustees

Opinion

We have audited the financial statements of The British Institute of International and Comparative Law (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 The British Institute of International and Comparative Law's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The 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.

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:

- 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

Independent auditor's report

To the members of

The British Institute of International and Comparative Law

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.

Joanna Pittman (Senior statutory auditor)

24 September 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Statement of Financial Activities (incorporating an income and expenditure account)

For the year ended 31 December 2020

	Note	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Income from:							
Donations and legacies	2	89,651	481,242	570,893	195,560	434,107	629,667
Charitable activities							
Member services	3	303,666	–	303,666	249,828	–	249,828
Publications and journals	3	257,983	6,100	264,083	249,651	7,508	257,159
Conferences and seminars	3	150,406	32,845	183,251	164,509	161,659	326,168
Research programmes	3	209,405	2,427,396	2,636,801	393,834	939,802	1,333,636
Other Income		18,998	633	19,631	33,759	3,356	37,115
Investments	4	19,446	–	19,446	24,449	–	24,449
Total income		1,049,555	2,948,216	3,997,771	1,311,590	1,546,432	2,858,022
Expenditure on:							
Raising funds	5a	162,688	59,566	222,254	154,506	77,400	231,906
Charitable activities							
Member services	5a	291,386	–	291,386	303,184	–	303,184
Publications and journals	5a	114,431	–	114,431	113,890	–	113,890
Conferences and seminars	5a	198,337	23,850	222,187	179,595	170,950	350,545
Research programmes	5a	591,810	1,894,381	2,486,191	554,112	1,271,409	1,825,521
Total expenditure		1,358,652	1,977,797	3,336,449	1,305,287	1,519,759	2,825,046
Net income before net gains on investments		(309,097)	970,419	661,322	6,303	26,673	32,976
Net gains on investments		22,785	24,938	47,723	51,834	56,734	108,568
Net income / (expenditure) for the year	6	(286,312)	995,357	709,045	58,137	83,407	141,544
Transfers between funds		297,500	(297,500)	–	102,518	(102,518)	–
Net movement in funds		11,188	697,857	709,045	160,655	(19,111)	141,544
Reconciliation of funds:							
Total funds brought forward		968,837	976,813	1,945,650	808,182	995,924	1,804,106
Total funds carried forward		980,025	1,674,670	2,654,695	968,837	976,813	1,945,650

All of the above results are derived from continuing activities. There were no recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 20 to the financial statements.

Balance Sheet

Company no. 615025

As at 31 December 2020

	Note	£	2020 £	£	2019 £
Fixed assets:					
Tangible assets	12		1,615,833		1,388,100
Investments	13		997,283		949,560
			<u>2,613,116</u>		<u>2,337,660</u>
Current assets:					
Debtors	14	216,326		540,595	
Cash at bank and in hand		2,043,071		805,568	
			<u>2,259,397</u>	<u>1,346,163</u>	
Liabilities:					
Creditors: amounts falling due within one year	15	1,200,151		963,173	
Net current assets			<u>1,059,246</u>		<u>382,990</u>
Creditors: amounts falling due after one year	15		1,017,667		775,000
Total net assets			<u>2,654,695</u>		<u>1,945,650</u>
The funds of the charity:	20a				
Endowment funds		521,146		496,208	
Restricted income funds		1,153,524		480,605	
			<u>1,674,670</u>		<u>976,813</u>
Unrestricted income funds:					
Capital fund		598,166		613,100	
General funds		381,859		355,737	
			<u>980,025</u>		<u>968,837</u>
Total unrestricted funds			<u>980,025</u>		<u>968,837</u>
Total charity funds			<u>2,654,695</u>		<u>1,945,650</u>

Approved by the trustees on 20 September 2021 and signed on their behalf by

Keith Ruddock
Chair of the Board of Trustees

Elizabeth Perks
Trustee

Statement of Cash Flows

For the year ended 31 December 2020

	£	2020 £	£	2019 £
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	709,045		141,544	
Depreciation charges	133,290		45,008	
(Gains) on investments	(47,723)		(108,568)	
Dividends and interest from investments	(19,446)		(24,449)	
Loss on the disposal of fixed assets	–		29,924	
Decrease in stocks	–		1,663	
Decrease in debtors	324,269		71,044	
Increase / (decrease) in creditors	236,978		(253,389)	
Net cash provided by operating activities		1,336,413		(97,223)
Cash flows from investing activities:				
Dividends, interest and rents from investments	19,446		24,449	
Purchase of fixed assets	(361,023)		(1,371,128)	
Net cash used in investing activities		(341,577)		(1,346,679)
Cash flows from financing activities:				
Increase in loan borrowings	242,667		775,000	
Net cash provided by financing activities		242,667		775,000
Change in cash and cash equivalents in the year		1,237,503		(668,902)
Cash and cash equivalents at the beginning of the year		805,568		1,474,470
Change in cash and cash equivalents due to exchange rate movements		–		–
Cash and cash equivalents at the end of the year		2,043,071		805,568
Analysis of cash and cash equivalents				
	At 1 January 2020 £	Cash flows £	Other changes £	At 31 December 2020 £
Cash at bank and in hand	805,568	1,237,503	–	2,043,071
Total cash and cash equivalents	805,568	1,237,503	–	2,043,071

1 Accounting policies

a) Statutory information

The British Institute of International and Comparative Law is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office address and principal place of business is Charles Clore House, 17 Russell Square, London WC1B 5JP.

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.

c) Public benefit entity

The charitable company 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 charitable company's ability to continue as a going concern. This assessment has been reached after preparing projections of the level of unrestricted reserves and cash up to 12 months beyond the date of signing annual financial statements, taking into account the financial effects of the Covid pandemic, future repayments due under the loan agreement with the University of London, general economic conditions and the future operating plans of the Institute. A worst case approach has been adopted with regard to income streams that are volatile or unsecured.

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 from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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; more information about their contribution may be found in the trustees' annual report.

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) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

i) 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 charitable company in encouraging 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 services to members, publishing books and journals, holding events and running research programmes and projects, all undertaken to further the purposes of the charity, and their associated support costs.

Irrecoverable VAT is charged as a cost of the activity for which the expenditure was incurred.

j) Grants payable

Grants payable do not represent grant-giving activities by the charity but relate to the transfer of third party project funding to project partners. Expenditure related to grants payable is recognised in accordance with the agreed payment schedule or time period of each grant.

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. The cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned pro rata to the staffing levels of the relevant activity.

l) Allocation of governance costs

Governance costs comprise audit fees and Board of Trustees meeting costs. These costs are apportioned across the Institute's activities, pro rata to the staffing levels of the relevant activity.

m) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

n) 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 separate assets where they have significantly different patterns of consumption of economic benefits and are depreciated separately over their useful lives.

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 rates in use are as follows:

- | | |
|---|----------|
| • Improvements to long leasehold properties | 20 years |
| • Computer equipment | 3 years |
| • Office equipment, fixtures and fittings | 5 years |

1 Accounting policies/continued

o) 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 is recognised in the statement of financial activities and any excess of fair value over the historical cost of investments is included in reserves. 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.

p) 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.

q) Cash at bank and in hand

Cash includes short term highly liquid investments with a maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

r) 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.

s) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Other financial instruments such as loans are initially recognised at the present value of future cash payments discounted at a market interest rate, and are subsequently measured at amortised cost using the effective interest method.

t) Pensions

The Institute participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is externally funded and contracted out of State Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The Institute is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and, as required by FRS 102 Section 28, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the SOFA represents the contributions payable to the scheme in respect of the accounting period.

The Institute also operates one defined contribution scheme. The amount charged to the SOFA represents the contributions payable to the scheme in respect of the accounting period.

Notes to the financial statements

For the year ended 31 December 2020

2 Income from donations and legacies

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
60th Anniversary Appeal	49,110	250,000	299,110	143,463	125,000	268,463
Bingham Centre donations	–	90,344	90,344	–	198,097	198,097
Bingham Centre Business Network	–	85,000	85,000	–	105,000	105,000
Clore Duffield Foundation	–	47,500	47,500	–	–	–
Other donations	40,541	8,398	48,939	52,097	6,010	58,107
Total income from donations and legacies	89,651	481,242	570,893	195,560	434,107	629,667

3 Income from charitable activities

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Forum memberships	253,633	–	253,633	190,538	–	190,538
Institute memberships	50,033	–	50,033	59,290	–	59,290
Sub-total for Member services	303,666	–	303,666	249,828	–	249,828
ICLQ journal royalties and other income	247,668	–	247,668	243,167	–	243,167
Publication sales	5,712	–	5,712	6,156	–	6,156
Publication royalties	4,603	6,100	10,703	328	7,508	7,836
Sub-total for Publications and journals	257,983	6,100	264,083	249,651	7,508	257,159
Private international law events	–	–	–	6,500	–	6,500
Bingham Centre rule of law events	3,866	32,845	36,711	29,679	–	29,679
International law short courses	75,002	–	75,002	32,360	–	32,360
Investment treaty law events	16,741	–	16,741	33,862	–	33,862
Public international law events	7,009	–	7,009	10,969	161,659	172,628
European law events	3,149	–	3,149	3,647	–	3,647
Comparative law events	4,504	–	4,504	7,775	–	7,775
WTO law events	9,555	–	9,555	11,583	–	11,583
Other events	30,580	–	30,580	28,134	–	28,134
Sub-total for Conferences and seminars	150,406	32,845	183,251	164,509	161,659	326,168
Funding from:						
Overseas NGOs, trusts and foundations	106,138	551,218	657,356	147,458	348,804	496,262
UK NGOs, trusts and foundations	–	264,062	264,062	–	46,425	46,425
Law firms	57,700	–	57,700	46,000	80,211	126,211
Overseas government departments	–	144,750	144,750	173,274	97,514	270,788
UK research councils	–	1,392,606	1,392,606	2,973	304,313	307,286
UK government departments	–	28,122	28,122	4,000	8,290	12,290
Companies	33,869	–	33,869	3,366	–	3,366
Other sources	11,698	46,638	58,336	16,763	54,245	71,008
Sub-total for Research programmes	209,405	2,427,396	2,636,801	393,834	939,802	1,333,636
Total income from charitable activities	921,460	2,466,341	3,387,801	1,057,822	1,108,969	2,166,791

Notes to the financial statements

For the year ended 31 December 2020

4 Income from investments

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Dividends received from investments	16,393	–	16,393	20,582	–	20,582
Interest received from investments	3,033	–	3,033	3,280	–	3,280
Bank interest	20	–	20	587	–	587
	<u>19,446</u>	<u>–</u>	<u>19,446</u>	<u>24,449</u>	<u>–</u>	<u>24,449</u>

Notes to the financial statements

For the year ended 31 December 2020

5a Analysis of expenditure (current year)

	Charitable activities					2020 Total £	2019 Total £
	Raising funds £	Member services £	Publications and journals £	Conferences and seminars £	Research programmes £		
Staff costs (Note 8)	146,267	211,210	79,548	161,204	1,504,600	2,102,829	1,851,158
Direct costs	5,303	57,755	26,078	43,886	382,469	515,491	586,168
Grants payable (Note 7)	–	–	–	–	407,818	407,818	–
Support costs:							
– Other staff costs	54,937	1,771	695	1,354	15,123	73,880	97,916
– General fundraising and marketing costs	1,755	2,301	904	1,754	19,630	26,344	42,612
– Property costs	(3,383)	(4,434)	(1,741)	(3,381)	(37,832)	(50,771)	67,770
– Communication costs	4,116	5,396	2,119	4,114	46,040	61,785	56,288
– Other office costs	804	1,055	414	804	8,998	12,075	14,882
– Depreciation and losses on disposals	8,878	11,640	4,572	8,876	99,324	133,290	74,932
– Other costs	2,635	3,456	1,357	2,634	29,477	39,559	19,525
Governance costs	942	1,236	485	942	10,544	14,149	13,795
Total expenditure 2020	222,254	291,386	114,431	222,187	2,486,191	3,336,449	2,825,046
Total expenditure 2019	231,906	303,184	113,890	350,545	1,825,521		2,825,046

Staff costs £2,102,829 (2019 £1,851,158) include costs of support staff £817,891 (2019 £778,995)

Other staff costs comprises: temporary staff, recruitment costs, staff travel, accommodation, subsistence and entertaining, and staff professional fees, training and conference costs.

Property costs include the removal of a previous accrual of £84,000 made in respect of the Institute's potential contribution to the costs of the University of London's ongoing programme of building renovation at Charles Clore House. The accrual related to work completed in 2012. The accrual has been removed as the Institute has now reached a final agreement with the University of London regarding its liability for renovation costs.

Governance costs include audit fees of £13,550 (2019: £13,469) and Board of Trustees meeting costs of £nil (2019: £4,155).

Notes to the financial statements

For the year ended 31 December 2020

5a Analysis of expenditure (prior year)

	Charitable activities					
	Raising funds	Member services	Publications and journals	Conferences and seminars	Research programmes	2019 Total
	£	£	£	£	£	£
Staff costs (Note 8)	173,030	211,896	75,653	99,382	1,291,197	1,851,158
Direct costs	6,024	45,641	25,381	234,355	274,767	586,168
Support costs:						
– Other staff costs	21,626	13,483	2,267	3,987	56,553	97,916
– General fundraising and marketing costs	4,295	2,573	2,628	1,026	32,090	42,612
– Property costs	7,383	8,112	2,183	3,234	46,858	67,770
– Communication costs	6,133	6,738	1,813	2,686	38,918	56,288
– Other office costs	1,622	1,781	479	710	10,290	14,882
– Depreciation and losses on disposals	8,164	8,970	2,413	3,575	51,810	74,932
– Other costs	2,128	2,337	629	932	13,499	19,525
Governance costs	1,501	1,653	444	658	9,539	13,795
Total expenditure 2019	231,906	303,184	113,890	350,545	1,825,521	2,825,046

Staff costs £1,851,158 (2019 £1,851,158) include costs of support staff £778,995 (2019 £778,995)

Other staff costs comprises: temporary staff, recruitment costs, staff travel, accommodation, subsistence and entertaining, and staff professional fees, training and conference costs.

Governance costs include audit fees of £13,469 (2019: £13,469) and Board of Trustees meeting costs of £4,155 (2019: £4,155).

Notes to the financial statements

For the year ended 31 December 2020

6 Net outgoing resources for the year

This is stated after charging / (crediting):

	2020 £	2019 £
Depreciation	133,290	45,008
Loss on disposal of fixed assets	–	29,924
Operating lease rentals:		
Property	1	1
Other	636	625
Auditor's remuneration:		
Audit fee	9,500	9,000
Under-accrual for audit fee in prior year	4,050	4,469
Foreign exchange losses / (gains)	18,656	(1,015)
	<u>18,656</u>	<u>(1,015)</u>

7 Analysis of grants payable

The funding provided by the Arts and Humanities Research Council for the Modern Slavery Policy and Evidence Centre included funding for some activities that are to be carried out by partner institutions. Funds payable to those partner institutions are as follows:

	2020 £	2019 £
University of Liverpool	86,105	–
University of Nottingham	77,139	–
University of Hull	73,327	–
The Alan Turing Institute	92,378	–
Royal Holloway University of London	14,525	–
Bonavero Institute of Human Rights, University of Oxford	64,344	–
	<u>407,818</u>	<u>–</u>

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

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	1,789,924	1,544,295
Social security costs	171,519	150,468
Employer's contributions to defined contribution pension schemes	107,377	95,117
Employer's contributions to defined benefit pension scheme	32,441	29,851
Termination costs	–	29,750
Other forms of employee benefits	1,568	1,677
	<u>2,102,829</u>	<u>1,851,158</u>

The termination costs were settled and paid at the balance sheet date.

Notes to the financial statements

For the year ended 31 December 2020

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel/continued

The following number of employees received employee benefits (including salary, but excluding employer's national insurance contributions and employer pension contributions) during the year between:

	2020 No.	2019 No.
£60,000 – £69,999	2	3
£70,000 – £79,999	–	1
£120,000 – £129,999	1	1
£150,000 – £159,999	1	1

The total employee benefits, including employer's national insurance contributions and employer's pension contributions, of the key management personnel were £497,733 (2019: £573,195).

The charity trustees were not paid and did not receive any other benefits. Trustees expenses reimbursed in 2020 were £nil (2019: £4,155 for one trustee's travel and accommodation costs reimbursed in connection with a conference attendance and a business development trip to Hong Kong). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

9 Staff numbers

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

	2020 Employed No.	2020 FTE (*) No.	2019 Employed No.	2019 FTE (*) No.
Raising funds (Including marketing)	4.7	3.8	5.4	4.3
Member services	3.3	3.0	3.7	2.9
Publications and journals	1.3	1.2	1.1	0.9
Conferences and seminars	3.6	3.5	1.7	1.3
Research programmes	25.8	22.0	21.7	17.1
Support	2.1	1.7	4.4	3.4
	40.8	35.2	38.0	29.9

(*) Full-time equivalent

10 Related party transactions

In 2019 an interest-free loan of £7,113 was made to the International Rule of Law Project Inc., a non-profit organisation incorporated in the United States of America for the purpose of raising funds for the charity. The Company Secretary of the British Institute of International and Comparative Law is one of the three directors of this company. The loan is repayable at such point as funds become available and the position will be reviewed annually. The outstanding balance of the loan at the end of the year was £7,113 (2019: £7,113).

Aggregate donations from related parties were £nil (2019: £nil).

11 Taxation

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

Notes to the financial statements

For the year ended 31 December 2020

12 Tangible fixed assets

	Improvements to leasehold property £	Computer equipment £	Office equipment, fixtures and fittings £	Total £
Cost or valuation				
At the start of the year	1,275,000	183,833	85,353	1,544,186
Additions	316,339	26,376	18,308	361,023
Disposals	–	–	(5,411)	(5,411)
At the end of the year	1,591,339	210,209	98,250	1,899,798
Depreciation				
At the start of the year	10,625	124,643	20,818	156,086
Charge for the year	81,112	35,912	16,266	133,290
Eliminated on disposal	–	–	(5,411)	(5,411)
At the end of the year	91,737	160,555	31,673	283,965
Net book value				
At the end of the year	1,499,602	49,654	66,577	1,615,833
At the start of the year	1,264,375	59,190	64,535	1,388,100

All of the above assets are used for charitable purposes.

The Institute assessed the cost of improvements to leasehold property made in 2019 to be £1,275,000. Additional costs of £290,167 were capitalised in 2020 in accordance with the final determination of the costs payable to the University of London.

13 Listed investments

	2020 £	2019 £
Fair value of investments at the start of the year	949,560	840,992
Disposal proceeds	–	–
Net gain on change in fair value	47,723	108,568
Fair value of investments at the end of the year	997,283	949,560
Investments comprise:		
	2020 £	2019 £
UK Investment Companies	997,283	949,560
	997,283	949,560

14 Debtors

	2020 £	2019 £
Trade debtors	17,393	61,881
Other debtors	13,095	13,874
Prepayments	18,856	17,317
Accrued income	166,982	447,523
	216,326	540,595

Notes to the financial statements

For the year ended 31 December 2020

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	62,173	49,047
Taxation and social security	52,288	47,496
Other creditors	182,533	108,362
Grants payable	319,591	–
Accruals	240,004	242,196
Deferred income (Note 17)	343,562	516,072
	1,200,151	963,173

16 Creditors: amounts falling due after one year

	2020	2019
Loan from University of London	1,017,667	775,000

The University of London loan creditor £1,017,667 relates to the cost of leasehold improvement works carried out to the Institute's offices in 2019. The final cost of the works was £1,565,167 and the Institute made an interim payment of £500,000 to the University during 2019, leaving a remaining creditor of £1,065,167. A further repayment of £47,500 was made in 2020, reducing the creditor to £1,017,667. The University has made a loan to the Institute of £1,017,667 at an interest rate of 6%, repayable over 10 years commencing January 2022 .

17 Deferred income

Deferred income comprises:

	2020 £	2019 £
Balances at the beginning of the year:		
Member services	184,497	175,284
Publications and journals	–	3,730
Conferences and seminars	10,792	21,745
Research programmes	320,783	231,918
Rental services	–	10,000
	516,072	442,677
Amounts released to income in the year	(516,072)	(440,551)
Amounts deferred in the year	343,562	513,946
Balance at the end of the year	343,562	516,072
Analysis of deferred income balances at the end of the year:		
Member services	170,365	184,497
Conferences and seminars	–	10,792
Research programmes	173,197	320,783
	343,562	516,072

Notes to the financial statements

For the year ended 31 December 2020

18 Pension schemes

The Institute participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. The Institute is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the Institute's employees. In 2020 the percentage was 21.1%. The Institute is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 102 Section 28, accounts for the scheme as if it were a defined contribution scheme.

The total cost charged to the SOFA in respect of this scheme was £32,441 (2019: £29,851), as shown in note 6. This includes £nil (2019: £3,933) outstanding contributions at the balance sheet date.

The latest available triennial actuarial valuation of the scheme was carried out as at 31 March 2018. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion. The assets therefore were sufficient to cover 95% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The Institute also makes contributions to one defined contribution scheme. Contributions charged to the SOFA for this scheme represent the various contributions payable to the scheme in respect of the accounting period. The total cost charged to the SOFA was £107,377 (2019: £95,117), as shown in note 7. This includes £nil (2019: £nil) outstanding contributions at the balance sheet date.

	2020 £	2019 £
Employer contributions to the USS defined benefit scheme	32,441	29,851
Employer contributions to defined contribution schemes	107,377	95,117
	139,818	124,968
	2020 No.	2019 No.
Average number of Institute members of USS defined benefit scheme	1	1
Average number of Institute members of defined contribution schemes	34	31
	35	32

19a Analysis of net assets between funds (current year)

	General £	Capital £	Endowments £	Restricted £	Total funds £
Tangible fixed assets	–	1,615,833	–	–	1,615,833
Investments	476,137	–	521,146	–	997,283
Net current assets	(94,278)	–	–	1,153,524	1,059,246
Creditors: amounts falling due after one year	–	(1,017,667)	–	–	(1,017,667)
Net assets at the end of the year	381,859	598,166	521,146	1,153,524	2,654,695

19b Analysis of net assets between funds (prior year)

	General £	Capital £	Endowments £	Restricted £	Total funds £
Tangible fixed assets	–	1,388,100	–	–	1,388,100
Investments	453,352	–	496,208	–	949,560
Net current assets	(97,615)	–	–	480,605	382,990
Creditors: amounts falling due after one year	–	(775,000)	–	–	(775,000)
Net assets at the end of the year	355,737	613,100	496,208	480,605	1,945,650

Notes to the financial statements

For the year ended 31 December 2020

20a Movements in funds (current year)

	At 1 January 2020 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 December 2020 £
Endowment funds:					
Sunley-Percy Rugg	187,338	12,469	–	–	199,807
Sunley-Sebag Shaw	187,338	12,469	–	–	199,807
Barnett Shine	121,532	–	–	–	121,532
Total endowment funds	496,208	24,938	–	–	521,146
Restricted income funds:					
Bingham Centre Appeal – Phase 2	30,257	428,744	(456,930)	–	2,071
Global Rule of Law Exchange	12,395	–	–	–	12,395
All-Party Parliamentary Group on the Rule of Law	–	20,000	(1,493)	–	18,507
Arthur Watts Fellowship – Phase 2	53,476	8,398	(29,664)	–	32,210
Mainstreaming the Rule of Law	–	23,212	(23,212)	–	–
RECONNECT (H2020)	107,175	36,598	(22,544)	–	121,229
Global Promotion of the Rule of Law	14,125	90,000	(91,150)	–	12,975
Big Data and Algorithms	61,604	210,885	(202,564)	–	69,925
Removal of Judges	4,056	24,686	(28,742)	–	–
Dorset Foundation Public Events Space	–	125,000	–	(125,000)	–
Sybil Shine Memorial Trust	–	100,000	–	(100,000)	–
Bluston Charitable Foundation	–	25,000	–	(25,000)	–
Clore Duffield Foundation	–	47,500	–	(47,500)	–
Trafficking in Persons	69,481	144,750	(146,100)	–	68,131
Modern Slavery Policy and Evidence Centre	128,036	1,367,921	(822,991)	–	672,966
Strengthening the Rule of Law in the Gambia	–	16,522	(16,522)	–	–
Independent Commission on UK Counterterrorism Legislation, Policy and Practice	–	124,000	(40,300)	–	83,700
Rule of Law Monitoring Project	–	95,000	(79,397)	–	15,603
Sybil Shine Memorial Trust Youth and Public Engagement Programme	–	60,000	(16,188)	–	43,812
Total restricted income funds	480,605	2,948,216	(1,977,797)	(297,500)	1,153,524
Total restricted funds	976,813	2,973,154	(1,977,797)	(297,500)	1,674,670
Unrestricted funds:					
Designated fund – 60th Anniversary Appeal	–	24,110	–	(24,110)	–
Capital fund	613,100	–	–	(14,934)	598,166
General funds	355,737	1,048,230	(1,358,652)	336,544	381,859
Total unrestricted funds	968,837	1,072,340	(1,358,652)	297,500	980,025
Total funds	1,945,650	4,045,494	(3,336,449)	–	2,654,695

Notes to the financial statements

For the year ended 31 December 2020

20b Movements in funds (prior year)

	At 1 January 2019 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 December 2019 £
Endowment funds:					
Sunley–Percy Rugg	158,971	28,367	–	–	187,338
Sunley–Sebag Shaw	158,971	28,367	–	–	187,338
Barnett Shine	121,532	–	–	–	121,532
Total endowment funds	439,474	56,734	–	–	496,208
Restricted income funds:					
Bingham Centre Appeal – Phase 2	238,935	534,434	(735,183)	(7,929)	30,257
Global Rule of Law Exchange	12,395	–	–	–	12,395
All-Party Parliamentary Group on the Rule of Law	9,150	–	(9,150)	–	–
Arthur Watts Fellowship – Phase 2	148,319	6,010	(105,058)	4,205	53,476
London Conference on International Law	9,291	161,659	(170,950)	–	–
Mainstreaming the Rule of Law	–	46,425	(54,354)	7,929	–
RECONNECT (H2020)	64,901	54,246	(11,972)	–	107,175
Global Promotion of the Rule of Law	10,774	89,881	(86,530)	–	14,125
Big Data and Algorithms	34,126	81,257	(53,779)	–	61,604
Failure to Prevent	–	41,954	(60,231)	18,277	–
Removal of Judges	28,559	83,484	(107,987)	–	4,056
Dorset Foundation Public Events Space	–	125,000	–	(125,000)	–
Trafficking in Persons	–	97,514	(28,033)	–	69,481
Modern Slavery Policy and Evidence Centre	–	216,278	(88,242)	–	128,036
Strengthening the Rule of Law in the Gambia	–	8,290	(8,290)	–	–
Total restricted income funds	556,450	1,546,432	(1,519,759)	(102,518)	480,605
Total restricted funds	995,924	1,603,166	(1,519,759)	(102,518)	976,813
Unrestricted funds:					
Designated fund – 60th Anniversary Appeal	–	143,463	–	(143,463)	–
Designated office refurbishment fund	500,000	–	–	(500,000)	–
Capital fund	91,904	–	–	521,196	613,100
General funds	216,278	1,219,961	(1,305,287)	224,785	355,737
Total unrestricted funds	808,182	1,363,424	(1,305,287)	102,518	968,837
Total funds	1,804,106	2,966,590	(2,825,046)	–	1,945,650

Purposes of endowment funds:

Permanent: The Sunley–Percy Rugg and the Sunley–Sebag Shaw Endowment Funds

The Bernard Sunley Charitable Foundation established two Endowment Funds in 1982, namely:

- The Sunley–Percy Rugg Endowment Fund; and
- The Sunley–Sebag Shaw Endowment Fund

The funds were established to recognise the contributions of Sir Percy Rugg and the Rt. Hon. Sir Sebag Shaw and were received by the Institute over the period from 1982 to 1991.

Purposes of endowment funds/continued:

Each fund is owned and administered by the Institute and consists of £199,807 (2019: £187,338) held in perpetuity for the permanent endowment of the Institute. Income arising from the funds is applied for the general purposes of the Institute.

The assets of each fund are held in listed investments. At the end of the year the fair value of these investments had increased by £12,469 (2019: increased £28,367) for each fund. Therefore each fund increased in value by £12,469 in respect of unrealised gains (2019: £28,367 unrealised gains).

Expendable: The Barnett Shine Charitable Foundation

This fund was originally established as the Shine Denning Endowment Fund of the British Institute of International and Comparative Law in 1982. A total of £300,000 was donated over the period from 1982 to 2000, to provide income to the Institute for its general purposes, including “the provision of financial or material assistance to the Institute”, but with the power to “apply the whole or any part of the Trust Fund whether capital or income in or towards the implementation of any one or more of the objects of the Trust”. Income arising from the funds is applied for the general purposes of the Institute. A transfer from expendable endowments of £178,468 was made in 2000 to settle a deficit on unrestricted funds. This left a balance of £121,532 which has remained unaltered since then.

Purposes of restricted funds: current year

Phase 2 of the Bingham Centre Appeal was launched in May 2013 to raise further funds to sustain the Centre beyond Phase 1.

The Bingham Centre receives grants from the Jones Day Foundation in respect of specific Global Rule of Law Exchange international conferences.

The Legal Education Foundation funded secretariat support for the All-Party Parliamentary Group on the Rule of Law.

Phase 2 of the Arthur Watts Fellowship Appeal was launched in December 2014 to raise further funds to sustain the Fellowship beyond Phase 1.

The Legal Education Foundation provided funding to devise a strategy for mainstreaming the rule of law in Parliament.

The European Union provided funding for a collaborative research project RECONNECT (H2020) led by the University of Leuven.

The Jones Day Foundation provided funding for the global promotion of the rule of law for the period September 2018 to August 2021.

The Foundation Open Society Institute and the Digital Freedom Fund provided funding for a research project on big data and algorithms.

Hogan Lovells International provided funding for the Failure to Prevent research project.

The Arts and Humanities Research Council provided funding for the Removal of Judges research project.

The Dorset Foundation provided funds for the creation of a new public events space in Charles Clore House to be known as the Harry Weinrebe Room.

The Sybil Shine Memorial Trust provided funds for the establishment of a new resources and meeting room within Charles Clore House.

The Bluston Charitable Foundation provided funds for the creation of a new meeting room in Charles Clore House to be known as the Bluston Hub.

The Clore Duffield Foundation provided funds of £500,000 to the University of London in respect of the refurbishment of Charles Clore House. In line with the agreed apportionment to the Institute of 9.5% of the cost of works to common parts of the building, the University has allocated £47,500, being 9.5% of the value of the donation, to the Institute.

Purposes of restricted funds: current year/continued

The United States of America Department of State provided funding for a Trafficking in Persons research project.

The Arts and Humanities Research Council provided funding for the establishment of a Modern Slavery Policy and Evidence Centre.

The Foreign and Commonwealth Office provided funding for a project to strengthen the rule of law through the Gambia's constitutional reform process.

The Independent Commission on UK Counterterrorism Legislation, Policy and Practice is funded by Barrow Cadbury Trust, the Open Society Initiative for Europe, the Joseph Rowntree Charitable Trust and Unbound Philanthropy.

The Rule of Law Monitoring Project is funded by the David and Elaine Potter Foundation, the Joseph Rowntree Charitable Trust, the Joseph Rowntree Reform Trust and AB Charitable Trust

The Sybil Shine Memorial Trust provided funding for a Youth and Public Engagement Programme.

Purposes of restricted funds: prior year

The Foreign and Commonwealth Office provided funding for a London conference to be held in October 2019 on international law.

Hogan Lovells International provided funding for the Failure to Prevent research project.

Unrestricted funds: current year

A designated fund established in respect of funds raised from the 60th Anniversary Appeal was used to provide funds towards the refurbishment of the Institute's office space, the creation of a new conference and events suite, and the development of new programmes of research, training and events.

Unrestricted funds: prior year

A designated fund was established in respect of funds raised from the 60th Anniversary Appeal, which was used to provide funds towards the refurbishment of the Institute's office space, the creation of a new conference and events suite, and the development of new programmes of research, training and events.

A designated fund for refurbishment of £500,000, established in 2018 in respect of the cost of the planned refurbishment of the Institute's offices and events space, was fully expended during the year by an interim payment of £500,000 to the University of London.

Capital Fund

The capital fund represents the net book value of fixed assets less the value of the University of London creditor £1,017,667 (2019: £775,000) associated with the cost of leasehold improvements.

Transfers between funds: current year

Restricted funds given by the Dorset Foundation, the Sybil Shine Memorial Trust, the Bluston Charitable Foundation and the Clore Duffield Foundation specifically to fund aspects of the refurbishment of Charles Clore House have been transferred from restricted funds to unrestricted funds in recognition that the purpose for which the funds were given, namely the completion of the refurbishment, has been satisfied.

Funds received from the 60th Anniversary Appeal have been transferred from designated funds to general unrestricted funds, as these funds are to be applied for the general purposes of the Institute.

Transfers between funds: prior year

Restricted funds given by the Dorset Foundation specifically to fund aspects of the refurbishment of Charles Clore House have been transferred from restricted funds to unrestricted funds in recognition that the purpose for which the funds were given, namely the completion of the refurbishment, has been satisfied.

Funds received from the 60th Anniversary Appeal have been transferred from designated funds to general unrestricted funds, as these funds are to be applied for the general purposes of the Institute.

The designated office refurbishment fund was transferred to capital funds, as the funds were used to make an initial payment in respect of the capital works carried out to Charles Clore House.

Notes to the financial statements

For the year ended 31 December 2020

21 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases are as follows:

		Property		Equipment	
		2020	2019	2020	2019
		£	£	£	£
	960				
Less than one year		1	1	640	75
One to five years		4	4	960	–
Over five years		49	50	–	–
		54	55	1,600	75

22 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.