

REGISTERED COMPANY NUMBER: 06882940 (England and Wales)
REGISTERED CHARITY NUMBER: 1131790

**REPORT OF THE TRUSTEES AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016
FOR**

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**



**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2016**

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**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2016**

The trustees who are also directors of the parent charity and its subsidiary undertakings for the purposes of the Companies Act 2006, present their report with the financial statements of the parent charity and subsidiary undertakings for the year ended 31 December 2016. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Institute for Human Rights and Business (IHRB) is a global centre of excellence and expertise (a 'think and do' tank) on the relationship between business and internationally-proclaimed human rights standards.

IHRB serves as an independent voice on human rights and business issues around the world and:

- produces in-depth reports, practical briefings and regular commentaries
- provides trusted and impartial advice to governments, businesses and international organisations
- brings together diverse stakeholders in collective action programmes to achieve significant impact

IHRB aims to better protect human rights through:

- Shaping policy,
- Advancing practice,
- Strengthening accountability

in order to make respect for human rights part of everyday business.

IHRB prioritises its work through time-bound programmes that can have the greatest impact, leverage and catalytic effect, focusing both on:

- Geographic programmes: Countries in economic and political transition
 - Thematic programmes: Business sectors that underpin globalisation, in relation to the follow of: information, finance, workers and commodities. This includes collective-action leadership involving different stakeholders,
- In this way IHRB sees human rights in business as both a "competitive" and "pre-competitive" issue between both governments and businesses.

INSTITUTE FOR HUMAN RIGHTS & BUSINESS LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2016

OBJECTIVES AND ACTIVITIES

Significant activities

In order to achieve its objectives, IHRB works through both its geographic, regional programmes and its global, thematic programmes. IHRB has continued to establish and develop regional centres for the promotion of responsible business practice. Yangon, Nairobi and Bogota represent the three key operational centres for regional activities in addition to our long-standing representation in London, Brussels and Geneva, and now in Washington, DC.

There are three regional centres based in Asia, Africa and Latin America respectively:

- **Myanmar** (Myanmar Centre for Responsible Business) in partnership with the Danish Institute for Human Rights.
- **East Africa** (including the "Nairobi Process" work)
- **Colombia / Latin America** (Centro Regional de Empresas y Emprendimientos Responsables - CREER)

There has been a focus on four key global thematic areas upon which all business sectors and society are reliant:

- **Information** - the 'Big Data' programme recognises that the combination and analysis of large datasets from various sources that is used to inform decisions and predict trends is a core business issue, not just an issue for the ICT sector. IHRB continues to map developments in the Big Data landscape and aims to engage companies across sectors to: improve transparency in the way data is collected, stored, shared and processed, ensure accountability of the data controller, and explore the challenge of data protection and put users in control of their personal data.
- **Workers** - the Migrant Workers programme encompasses the "Dhaka Principles for Migration with Dignity" which is a key framework for understanding and addressing the challenges facing migrant workers at every stage of the migration cycle, along with the Leadership Group for Responsible Recruitment which is a collaboration between leading companies and expert organisations to drive positive change in the way that migrant workers are recruited. A key aim of the Group is the total eradication of fees being charged to workers to secure employment.
- **Finance** - a multi-stakeholder development of the Corporate Human Rights Benchmark, of which IHRB is a co-founder. This collaboration between eight partners from across civil society and the private sector will rank the top 500 globally listed companies on their human rights policy, process and performance, with the ultimate goal of harnessing the competitive nature of markets to drive better human rights performance.
- **Commodities** - focuses on the upstream aspects of extractive industries' performance, and shapes the current activities of the Responsible Business Centres, as well as a downstream focus on leveraging commodity trading to promote responsible business practice.

In addition, IHRB has initiated a programme that brings many of the above issues into focus within the life span of specific sporting events:

- **Mega-sporting Events** - responding to the need for the development of an independent centre for human rights learning and accountability in the responsible delivery of mega-sporting events.

How our activities deliver public benefit

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

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

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FOR THE YEAR ENDED 31 DECEMBER 2016**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During 2016, IHRB achieved the following:

(1) Development of regional centres on responsible business and methodology for understanding the impact of a business sector on human rights. The Myanmar Centre for Responsible Business (MCRB) was established in 2013 in Yangon in partnership with the Danish Institute for Human Rights and during 2015 the Centro Regional de Empresas y Emprendimientos Responsables (CREER) was fully established under local law in Bogota, Colombia. These centres operate impartially on issues on national and regional policy, providing capacity to local business and civil society in relation to internationally agreed standards.

(2) Development of a programme to develop benchmarks for ranking the world's 500 largest publicly-listed companies based on their human rights performance ("The Corporate Human Rights Benchmark") in partnership with seven partners: Aviva Investors, Calvert Investments, EIRIS Foundation, the Business and Human Rights Resource Centre, VBDO, Vigeo Eiris and Nordea Wealth Management. In 2016 the methodology was developed to rank the top 100 companies in the agricultural products, apparel, and extractive industries following stakeholder consultations. The results of the first Corporate Human Rights Benchmark will be published in early 2017.

(3) Exploring the global phenomenon of 'Big Data' and the challenges regarding ownership, consent, transparency, accountability and trust. IHRB joined forces with Wilton Park to host a multi-stakeholder roundtable event, which was attended by international experts from a range of countries, governments, businesses, civil society and academia. This event explored ways in which the potential benefits of big data are fully realised, while implanting safeguards to protect privacy, non-discrimination and other important human rights.

(4) Developing migrant worker initiatives within a collective action leadership framework. IHRB continues to promote the Dhaka Principles on Migration with Dignity at events across Europe, the Gulf and South Asia. In 2016 the Leadership Group for Responsible Recruitment was launched. This collation is underpinned by the Employer Pays Principle (a commitment to ensure that no worker should pay for a job, and combines leading international companies and expert organisations committed to eradicating the payment of recruitment fees by workers in their supply chains). The Group acts as a vehicle for advocacy and collaboration and serves as a knowledge hub for sharing good practice, tools and guidance in relation to responsible recruitment. In 2016, IHRB also created the Responsible Recruitment Gateway, a website which provides access to a range of tools and information to help companies move towards ethical recruitment.

(5) Moving towards the establishment of an impartial centre for learning, legacy and accountability between mega-sporting events (MSE). IHRB successfully formed a MSE Steering Group and now serves as the secretariat for the Mega-Sporting Events Platform for Human Rights (MSE Platform), a coalition of international and intergovernmental organisations, governments, sports governing bodies, athletes, unions, sponsors, broadcasters, and civil society groups. IHRB are in the process of updating the associated web portal to be re-launched early next year. IHRB held a two day Sporting Chance Forum in Washington DC at which preliminary findings of a series of White Papers were shared and analysed. IHRB continues to work with all key stakeholders to advance the idea of creating an impartial, permanent centre, dedicated to helping all actors involved in an event fully recognise and apply their respective human rights duties and responsibilities throughout the MSE lifecycle.

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FOR THE YEAR ENDED 31 DECEMBER 2016**

ACHIEVEMENT AND PERFORMANCE

(6) Facilitating a Swiss-based multi-stakeholder process on Commodity Trading in partnership with the Government of Switzerland. IHRB have conducted stakeholder interviews and continue to map and build a trusted process between government departments, commodity trading companies and civil society on the salient human rights issues relating to the trading of hard and soft commodities, given Switzerland's position as one of the world's trading centres.

(7) Exploring human rights challenges in geographically high-risk markets. In a year which marked significant changes in the international political climate, IHRB has explored human rights challenges for foreign investors in countries where there is a lot of political and business interest alongside uncertainty over renewed business dealings. Looking at the Middle East and the outcomes on the lifting of international sanctions, IHRB is able to draw some parallels from the learnings from the Myanmar Centre for Responsible Business (MCRB), and focus on the elements required to create and sustain an investable climate whilst applying internationally recognised human rights standards.

Fundraising activities

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

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

Government and Foundation funding is allocated to specific projects but only if the Institute's impartiality is respected.

Business funding is only accepted as core funding with no conditions attached. Sometimes this funding is ring-fenced to multi-stakeholder 'leadership' programmes (e.g. Mega-sporting Events, Responsible Recruitment) but it remains on a core-funding basis.

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

The Institute will not take money from any organisation actively engaged in deliberate abuse of human rights or the undermining of development and progress with regard to business and human rights.

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

Donations and grants made

Donations of £19,080 (2015 - £34,941) were made by the charity to the Myanmar Business Coalition on Aid during the year, and £813 (2015 - £nil) was donated to Maryland University.

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2016**

FINANCIAL REVIEW

Financial position

The charity's financial position is shown in detail on the balance sheet. Activities during 2015 resulted in the charity's reserves being depleted to a level below that stated in the reserves policy. During the current year the charity has sought to address this and move to a position where £300,000 (approximately 3 months working capital) is held in unrestricted reserves. While the charity fell slightly short of this position at the balance sheet date it continues fundraising efforts in 2017 to work towards this position.

Principal funding sources

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

Investment policy and objectives

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

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

Reserves policy

The trustees have examined the Institute's requirements for reserves in light of the main risks to the organisation. The Institute aims to hold sufficient funds in reserves necessary to meet the working capital requirements of the Institute.

In 2016 a number of fundraising and expenditure measures were undertaken to secure unrestricted core funding to meet the target of 3 months' working capital, as well as the implementation of a policy to ensure that expenditure on direct charitable activities were met without impacting the unrestricted reserves. As a result of these measures, activities regarding the Big Data programme were restricted beyond June 2016 until further funding was secured, and the direction and future of the work undertaken in East Africa was reviewed.

Risk Management

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

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

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

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PLANS FOR FUTURE PERIODS

In 2017 IHRB will continue to engage leading businesses and expert organisations via the Leadership Group for Responsible Recruitment and expand the membership, with an aim to eradicate worker fees over the next decade.

IHRB will continue to promote and integrate international human rights in the planning, delivery and legacy of Mega-sporting Events (MSEs) with the launch of a website to accompany the MSE Platform as well as publish 11 White Papers which explore the case for, and potential role of, an independent centre of expertise on MSEs and human rights. IHRB will focus on migrant worker rights in the construction sector, including around the 2022 FIFA World Cup, as well as continuing to share good practice and international standards with Olympics host city organising committees in Rio, Tokyo and Beijing.

IHRB will continue to map current developments in the Big Data landscape and produce an options paper to inform IHRB about some of the most appropriate ways forward.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

Recruitment and appointment of new trustees

The Institute has six Trustees for all statutory issues, and also an International Advisory Board to guide the Trustees and staff in all strategic decisions. Trustees have been selected based on their experience and skills - bringing together extensive experience from government, business and civil society. The other members of the IHRB International Advisory Board have been selected on a similar basis and represent global expertise in all areas of business and human rights. All Board members are distinguished in their relevant fields, and bring specialisms to the organisation that inform and enrich our work. IHRB aim to have representatives from all sectors - business, academia, research and civil society, and have a policy to have a Board that is gender-balanced.

Trustees need to declare any possible conflicts of interest and are therefore unlikely to hold decision-making positions in mainstream business or government during their tenure with the Institute. New Trustees are selected by unanimous agreement of all Trustees and also after seeking the opinion of all members of the International Advisory Board, and have a period of joining trustee meetings as an observer as part of their training before officially joining.

The Institute for Human Rights and Business is governed by a group of six trustees, with input from an International Advisory Board. The trustees meet in person at least once a year and speak on the telephone monthly. The Advisory Board meet once a year.

The CREER Centre is now independently registered under Colombian law, and sits outside of the direct control of IHRB or its Trustees. One IHRB Trustee and the IHRB Chief Executive are represented on the CREER Board. The MCRB Centre is registered in the UK as MCRB Ltd with a branch office in Myanmar. Two IHRB Trustees sit on the Board of MCRB Ltd.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

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

The Institute's core staff and consultants during 2016 were:

John Morrison (Chief Executive)
Frances House (Deputy Chief Executive)
Scott Jerbi (Senior Advisor, Policy and Outreach)
Salil Tripathi (Senior Advisor, Global Issues)
Margaret Wachenfeld (Director of Research and Legal Affairs)
Motoko Aizawa (Managing Director, IHRB USA)
Vicky Bowman (Director, Myanmar Centre for Responsible Business)
Lucy Amis (Research Fellow, Mega-Sporting Events)
Guido Battaglia (Research Assistant - Commodity Trading Sector UNGPs Guidance Project)
Vanessa Bissessur (Operations Manager)
Haley St Dennis (Communications Manager)
Vicky Dodman (Programme Manager, Corporate Human Rights Benchmark)
Francesca Fairbairn (Administrator)
Donna Guest (Senior Advisor, South East Asia)
Geoffrey Kerecha (Programme Assistant, East Africa)
Wambui Kimathi (Chair of Advisory Group, Nairobi Process)
Wangui Rose Kimotho (Programme Manager, East Africa)
Malin Oud (Senior Advisor, China)
Lucy Purdon (Project Manager, Information and Communication Technology)
William Rook (Regional Manager, Middle East)
Waleria Schuele (Researcher)
Neill Wilkins (Project Manager, Migrant Workers and Work With Dignity)

In addition, the Institute currently has seven Research Fellows.

Trustees are informed on a monthly basis of the progress of the Institute towards its charitable objects and the success of relevant outputs and impacts relating to each of the programmes.

The International Advisory Board provide guidance to Trustees and staff about strategic matters.

Mary Robinson is the Patron of the organisation and Professor John Ruggie is the Chair of the International Advisory Board. The other members of the International Advisory Board consisted of S Batliwala, N Chanda, B Edlund, I Hilton, D Kemp, M Kjaerum, R Lindsay, C Marsden, E Potter and M Taylor, R Popper.

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2016**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
06882940 (England and Wales)

Registered Charity number
1131790

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

Trustees

C Marsden	
B E Edlund	
L R Lindsay	
M Taylor	
D L Kemp	- appointed 13.4.16
R J D Popper	- appointed 1.9.16

Auditors

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

Bankers

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

Accountants

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

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2016**

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

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

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

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

In so far as the trustees are aware:


- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.
- the financial statements have been prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

AUDITORS

The Auditors, Myrus Smith Chartered Accountants will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

Approved by order of the board of trustees on 4/9/17 and signed on its behalf by:



C Marsden - Trustee

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

We have audited the financial statements of Institute For Human Rights & Business Limited for the year ended 31 December 2016 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and the Parent Charitable Company Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 and to the charitable company's trustees, as a body, in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities, 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.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR HUMAN RIGHTS & BUSINESS
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Opinion on other matter prescribed by the Companies Act 2006


In our opinion:

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

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


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

Date: 5/9/17

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2016**

		Unrestricted fund	Restricted funds	Total 2016 funds	Total 2015 funds
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	350,119	2,157,573	2,507,692	1,537,632
Commercial trading operations	4	245,114	-	245,114	175,529
Investment income	5	889	641	1,530	2,403
Other income - rent receivable		-	8,272	8,272	13,348
Total		596,122	2,166,486	2,762,608	1,728,912
EXPENDITURE ON					
Raising funds	6	16,502	-	16,502	15,339
Commercial trading operations	7	213,459	-	213,459	109,616
Charitable activities	8				
Migrant workers and work with dignity		-	364,576	364,576	298,080
Digital dangers		78,248	15,000	93,248	168,936
East Africa programme		53,625	125,674	179,299	324,498
Myanmar Centre for Responsible Business		-	711,317	711,317	793,923
Mega sporting events programme		-	330,597	330,597	212,132
China responsible business forum		-	-	-	70,708
Corporate human rights benchmark		10,657	277,237	287,894	228,043
South America programme		505	-	505	116,163
Programme research		-	-	-	87,228
Other outreach activity		-	-	-	50,317
Grants to other human rights entities	9	813	19,080	19,893	34,941
HRD and discrimination		11,877	-	11,877	53,496
Commodities		-	-	-	70,468
High Risk Markets		24,420	51,791	76,211	-
Total		410,106	1,895,272	2,305,378	2,633,888
NET INCOME/(EXPENDITURE)		186,016	271,214	457,230	(904,976)
Transfers between funds	19	85,203	(85,203)	-	-
Net movement in funds		271,219	186,011	457,230	(904,976)

The notes form part of these financial statements

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - CONTINUED
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	Unrestricted fund £	Restricted funds £	Total 2016 funds £	Total 2015 funds £
RECONCILIATION OF FUNDS					
Total funds brought forward		13,526	886,667	900,193	1,805,169
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD		<u>284,745</u>	<u>1,072,677</u>	<u>1,357,422</u>	<u>900,193</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

CONSOLIDATED AND CHARITY BALANCE SHEETS
AT 31 DECEMBER 2016

	Notes	Consolidated 2016 £	Consolidated 2015 £	Charity 2016 £	Charity 2015 £
FIXED ASSETS					
Tangible assets	15	1,923	7,028	1,923	7,028
Investments	16	-	-	2	2
		<u>1,923</u>	<u>7,028</u>	<u>1,925</u>	<u>7,030</u>
CURRENT ASSETS					
Debtors falling due within one year	17	803,093	757,520	838,349	822,274
Debtors falling due more than one year	17	-	8,136	-	-
Cash at bank		<u>843,835</u>	<u>421,563</u>	<u>778,368</u>	<u>311,965</u>
		<u>1,646,928</u>	<u>1,187,219</u>	<u>1,616,717</u>	<u>1,134,239</u>
CREDITORS					
Amounts falling due within one year	18	(291,430)	(294,054)	(264,659)	(244,719)
		<u>1,355,498</u>	<u>893,165</u>	<u>1,352,058</u>	<u>889,520</u>
NET CURRENT ASSETS					
		<u>1,357,421</u>	<u>900,193</u>	<u>1,353,983</u>	<u>896,550</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>1,357,421</u>	<u>900,193</u>	<u>1,353,983</u>	<u>896,550</u>
NET ASSETS					
		<u>1,357,421</u>	<u>900,193</u>	<u>1,353,983</u>	<u>896,550</u>
FUNDS					
Unrestricted funds	19	284,745	13,526	281,307	9,883
Restricted funds		<u>1,072,676</u>	<u>886,667</u>	<u>1,072,676</u>	<u>886,667</u>
NET ASSETS		<u>1,357,421</u>	<u>900,193</u>	<u>1,353,983</u>	<u>896,550</u>

The notes form part of these financial statements

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

CONSOLIDATED AND CHARITY BALANCE SHEET - CONTINUED
AT 31 DECEMBER 2016

The financial statements were approved by the Board of Trustees on4/9/17..... and were signed on
its behalf by:

.....
C Marsden -Trustee

The notes form part of these financial statements

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>420,337</u>	<u>126,023</u>
Net cash provided by (used in) operating activities		<u>420,337</u>	<u>126,023</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(1,198)	(8,329)
Sale of tangible fixed assets		1,603	-
Interest received		<u>1,530</u>	<u>2,403</u>
Net cash provided by (used in) investing activities		<u>1,935</u>	<u>(5,926)</u>
Change in cash and cash equivalents in the reporting period		422,272	120,097
Cash and cash equivalents at the beginning of the reporting period		<u>421,563</u>	<u>301,466</u>
Cash and cash equivalents at the end of the reporting period		<u>843,835</u>	<u>421,563</u>

The notes form part of these financial statements

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	457,230	(904,976)
Adjustments for:		
Depreciation charges	2,667	4,419
Loss on disposal of fixed assets	2,033	-
Interest received	(1,530)	(2,403)
(Increase)/decrease in debtors	(37,439)	1,275,455
Increase/(decrease) in creditors	<u>(2,624)</u>	<u>(246,472)</u>
Net cash provided by (used in) operating activities	<u>420,337</u>	<u>126,023</u>

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. STATUTORY INFORMATION

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

The company's registered office address is:

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (as updated through Update Bulletin 1 published on 2 February 2016), (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic Ireland', the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Preparation of the accounts on a going concern basis

In the opinion of the trustee's there are no material uncertainties about the charities ability to continue as a going concern.

Preparation of consolidated financial statements

The group financial statements consolidate the results of the charity and its wholly owned subsidiaries IHRB Trading Limited, Myanmar Centre for Responsible Business Ltd and IHRB USA on a line-by-line basis. As permitted by Section 408 of the Companies Act no separate statement of financial activities is presented in respect of the parent company.

Income

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

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

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. ACCOUNTING POLICIES - continued

Expenditure

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

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

Allocation and apportionment of costs

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

Tangible fixed assets

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

Fixtures and fittings	- 25% on reducing balance
Computer equipment	- 33% on cost

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

Taxation

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

Fund accounting

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

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

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

Foreign currencies

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

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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

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

Financial instruments

The parent charity and its subsidiary undertakings only make use of basic financial instruments which are measured as follows:

Instrument	Basis
Investments in subsidiaries	Measured at cost which is not materially different to market value
Trade debtors	Settlement amount after trade discounts
Loans receivable - subsidiaries	Amounts advanced by the charity
Cash	Cash held
Bank deposits	Cash amount of deposit
Trade creditors	Settlement amount after trade discounts

3. DONATIONS AND LEGACIES

	2016	2015
	£	£
Donated services and facilities	114,286	-
Business donations	649,784	405,460
Foundation grants	603,433	583,587
Government grants	<u>1,140,189</u>	<u>548,585</u>
	<u>2,507,692</u>	<u>1,537,632</u>

Donated services relates to consultancy services provided free of charge in relation to the Corporate Human Rights Benchmark project.

Grants secured in 2016 included multi-year grants for both the Myanmar Centre For Responsible Business and the Migrant Workers programme. Income is recognised in the year in which the grants were agreed whilst the grant funding was for various periods ending up to 31 December 2018. As a result income recognised in 2016 is significantly higher than in the previous year.

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016**

4. COMMERCIAL TRADING ACTIVITIES

	2016	2015
	£	£
Consultancy	<u>245,114</u>	<u>175,529</u>

5. INVESTMENT INCOME

	2016	2015
	£	£
Deposit account interest	<u>1,530</u>	<u>2,403</u>

6. RAISING FUNDS

Raising donations and legacies

	2016	2015
	£	£
Staff costs	5,951	6,462
Insurance	1,070	941
Telephone	690	1,458
Postage and stationery	34	225
Sundries	929	844
Consultancy	2,109	1,811
Website	507	107
Office rent	290	795
IT expenses	27	80
Accountancy and back office support	2,622	1,019
Travel and accommodation	2,035	1,167
Depreciation	194	248
Interest payable and similar charges	<u>44</u>	<u>182</u>
	<u>16,502</u>	<u>15,339</u>

7. SUBSIDIARY INCOME AND COSTS

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

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. SUBSIDIARY INCOME AND COSTS - continued

IHRB Trading Ltd	2016	2015
	£	£
Turnover	245,114	175,528
Other income	842	1,570
Administration and other costs	<u>(213,459)</u>	<u>(109,616)</u>
Operating profit/(loss)	<u>32,497</u>	<u>67,482</u>
Net income	32,497	67,482
Amount gift aided to the charity	<u>(32,497)</u>	<u>(67,482)</u>
Retained in subsidiary	<u>-</u>	<u>-</u>

As at December 2016, IHRB Trading Ltd had £1 net assets (2015 - £1). This comprised assets of £77,348 (2015 - £85,035) and liabilities of £77,347 (2015 - £85,034).

Myanmar Centre for Responsible Business Limited	2016	2015
	£	£
Turnover	282,951	217,783
Other income	-	-
Administration and other costs	<u>(282,951)</u>	<u>(217,783)</u>
Operating profit/(loss)	<u>-</u>	<u>-</u>
Net income	-	-
Amount gift aided to the charity	<u>-</u>	<u>-</u>
Retained in subsidiary	<u>-</u>	<u>-</u>

As at December 2016, Myanmar Centre for Responsible Business Limited had £1 net assets (2015 - £1). This comprised assets of £21,391 (2015 - £35,301) and liabilities of £21,390 (2015 - £35,300).

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. SUBSIDIARY INCOME AND COSTS – continued

IHRB USA	2016	2015
	£	£
Turnover	504	25,356
Other income	6,589	327
Administration and other costs	<u>(1,661)</u>	<u>(42)</u>
Operating profit/(loss)	<u>5,432</u>	<u>25,641</u>
Net income	-	-
Amount gifted to the charity	<u>(32,516)</u>	<u>-</u>
Retained in subsidiary	<u>(27,084)</u>	<u>25,641</u>

As at December 2016, IHRB USA had £4,936 net assets (2015 - £32,020). This comprised assets of £4,936 (2015 - £32,020) and liabilities of £Nil (2015 - £Nil).

8. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities (See note 9)	Support costs (See note 10)	Totals
	£	£	£	£
Migrant workers and work with dignity	297,129	-	67,448	364,577
Digital dangers	71,016	-	22,232	93,248
East Africa programme	131,632	-	47,667	179,299
Myanmar Centre for Responsible Business	626,602	-	84,715	711,317
Mega sporting events programme	246,977	-	83,620	330,597
Corporate human rights benchmark	256,696	-	31,198	287,894
South America programme	505	-	-	505
HRD and discrimination	8,483	-	3,394	11,877
High Risk Markets	58,073	-	18,138	76,211
Grants to other human rights entities	<u>-</u>	<u>19,893</u>	<u>-</u>	<u>19,893</u>
	<u>1,697,113</u>	<u>19,893</u>	<u>358,412</u>	<u>2,075,418</u>

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016**

9. GRANTS PAYABLE

	2016 £	2015 £
Grants to institutions	<u>19,893</u>	<u>34,941</u>

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

	2016 £	2015 £
Myanmar Business Coalition on Aid	19,080	34,941
Maryland University	<u>813</u>	<u>-</u>
	<u>19,893</u>	<u>34,941</u>

10. SUPPORT COSTS

	Management £	Finance £	Information technology £	Governance costs £	Totals £
Migrant workers and work with dignity	60,934	157	2,588	3,769	67,448
Digital dangers	20,084	52	854	1,242	22,232
East Africa programme	43,121	106	1,744	2,696	47,667
Myanmar Centre for Responsible Business	64,696	597	16,422	3,000	84,715
Mega sporting events programme	75,543	195	3,210	4,672	83,620
Corporate human rights benchmark	10,046	-	18,152	3,000	31,198
HRD and discrimination	3,067	8	130	189	3,394
High Risk Markets	<u>16,386</u>	<u>42</u>	<u>697</u>	<u>1,013</u>	<u>18,138</u>
	<u>293,877</u>	<u>1,157</u>	<u>43,797</u>	<u>19,581</u>	<u>358,412</u>

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. NET INCOME/(EXPENDITURE)

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

	2016	2015
	£	£
Auditors' remuneration		
Audit of charitable company financial statements	2,160	2,160
Audit of trading subsidiaries	3,000	3,000
Depreciation - owned assets	2,667	4,419
Deficit on disposal of fixed asset	<u>2,033</u>	<u>-</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2016 nor for the year ended 31 December 2015.

Trustees' expenses

During the year one trustee (2015 - three) was reimbursed expenses as follows:

	2016	2015
	£	£
Travel expenses	<u>1,350</u>	<u>2,940</u>

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016**

13. STAFF COSTS

	2016	2015
	£	£
Wages and salaries	785,863	843,749
Social security costs	67,983	91,007
Other pension costs	<u>37,413</u>	<u>40,112</u>
	<u>891,259</u>	<u>974,868</u>

The key management personnel of the charity comprise the trustees, the Chief Executive Officer and his deputy. The total employee benefits of the key management personnel of the charity were £229,568 (2015 - £226,088).

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

2016	2015
<u>13</u>	<u>13</u>

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

	2016	2015
£60,001 - £70,000	-	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£100,001 - £110,000	1	1
£120,001 - £130,000	1	-
£130,001 - £140,000	<u>-</u>	<u>1</u>
	<u>3</u>	<u>4</u>

Retirement benefits are accruing to three employees (2015 - four employees) earning over £60,000 per annum. The total pension contributions paid in respect of said employees was £15,782 for the year ended 31 December 2016 (2015 - £18,401)

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**NOTES TO THE CONSOLIDATE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016**

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	428,740	1,108,892	1,537,632
Commercial trading operations	175,529	-	175,529
Investment income	1,836	567	2,403
Other incoming resources - rent receivable	6,379	6,969	13,348
Total	612,484	1,116,428	1,728,912
EXPENDITURE ON			
Raising funds	15,339	-	15,339
Commercial trading operations	109,616	-	109,616
Charitable activities			
Migrant workers and work with dignity	41,997	256,083	298,080
Digital dangers	164,120	4,816	168,936
East Africa programme	28,267	296,231	324,498
Myanmar Centre for Responsible Business	1,545	792,378	793,923
Mega sporting events programme	1,637	210,495	212,132
China responsible business forum	39,713	30,995	70,708
Corporate human rights benchmark	1,544	226,499	228,043
South America programme	116,163	-	116,163
Programme research	56,232	30,996	87,228
Other outreach activity	50,317	-	50,317
Grants to other human rights entities	-	34,941	34,941
HRD and discrimination	53,496	-	53,496
Commodities	70,468	-	70,468
Total	750,454	1,883,434	2,633,888
NET INCOME/(EXPENDITURE)	(137,970)	(767,006)	(904,976)
RECONCILIATION OF FUNDS			
Total funds brought forward	151,496	1,653,673	1,805,169
TOTAL FUNDS CARRIED FORWARD	13,526	886,667	900,193

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016**

15. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2016	3,856	21,661	25,517
Additions	-	1,198	1,198
Disposals	<u>(3,856)</u>	<u>(11,165)</u>	<u>(15,021)</u>
At 31 December 2016	<u>-</u>	<u>11,694</u>	<u>11,694</u>
DEPRECIATION			
At 1 January 2016	964	17,525	18,489
Charge for year	-	2,667	2,667
Eliminated on disposal	<u>(964)</u>	<u>(10,421)</u>	<u>(11,385)</u>
At 31 December 2016	<u>-</u>	<u>9,771</u>	<u>9,771</u>
NET BOOK VALUE			
At 31 December 2016	<u>-</u>	<u>1,923</u>	<u>1,923</u>
At 31 December 2015	<u>2,892</u>	<u>4,136</u>	<u>7,028</u>

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

16. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 January 2016 and 31 December 2016	<u>2</u>
NET BOOK VALUE	
At 31 December 2016	<u>2</u>
At 31 December 2015	<u>2</u>

The above shares in group undertakings represent investment assets held in the UK. In addition the company is a member of a company limited by guarantee incorporated in the USA.

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016**

16. FIXED ASSET INVESTMENTS - continued

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

IHRB Trading Limited (included in consolidation)

Wholly owned subsidiary undertaking

Country of incorporation: England & Wales

Company number: 07562148

Nature of business: Consultancy Services

	%
Class of share:	Holding
Ordinary	100

	2016	2015
	£	£
Turnover	245,114	175,528
Expenditure	245,114	175,528
Profit/(Loss)	-	-
Aggregate capital and reserves	<u>1</u>	<u>1</u>

Myanmar Centre For Responsible Business Limited (included in consolidation)

Wholly owned subsidiary undertaking

Country of incorporation: England & Wales

Company number: 08732191

Nature of business: Consultancy Services

	%
Class of share:	holding
Ordinary	100

	2016	2015
	£	£
Turnover	282,951	217,783
Expenditure	282,951	217,783
Profit/(Loss)	-	-
Aggregate capital and reserves	<u>1</u>	<u>1</u>

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016**

IHRB USA (Included in consolidation)

Company limited by guarantee, with the Institute For Human Rights and Business being the sole member.

Country of Incorporation: USA

Company number: 5060469

Nature of Business: Charity

	2016 £	2015 £
Gross Income	504	25,683
Expenditure	27,588	42
Surplus / (Deficit) for year	(27,084)	25,641
Aggregate capital and reserves	<u>4,936</u>	<u>32,020</u>

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016**

17. DEBTORS – GROUP AND CHARITY

AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Trade debtors	315,825	108,671	305,486	92,521
Other debtors	21,852	21,556	10,079	4,585
Amounts owed by group undertakings	-	-	71,966	71,000
Accrued income	445,457	605,920	430,987	632,796
Prepayments	<u>19,959</u>	<u>21,373</u>	<u>19,831</u>	<u>21,373</u>
	<u>803,093</u>	<u>757,520</u>	<u>838,349</u>	<u>822,274</u>

AMOUNTS FALLING DUE MORE THAN ONE YEAR

Other debtors	-	8,136	-	-
	<u>-</u>	<u>8,136</u>	<u>-</u>	<u>-</u>

AGGREGATE AMOUNTS	<u>803,093</u>	<u>765,656</u>	<u>838,349</u>	<u>822,274</u>
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18. CREDITORS – GROUP AND CHARITY

AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Trade creditors	52,980	137,157	52,549	109,316
Social security and other taxes	18,856	38,031	16,152	27,589
Other creditors	471	4,176	471	4,176
Accrued expenses	152,325	102,742	129,939	99,742
Deferred income	<u>66,798</u>	<u>11,948</u>	<u>65,548</u>	<u>3,896</u>
	<u>291,430</u>	<u>294,054</u>	<u>264,659</u>	<u>244,719</u>

Deferred income as at 31 December 2016 comprises grant funding received in the period of £65,548 and consultancy fees of £1,250. The grant funding has been made for activities in 2017 and consultancy fees have been received in advance for 2017.

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016**

19. MOVEMENT IN FUNDS

GROUP	At 1.1.16 £	Net movement in funds £	Transfers between funds £	At 31.12.16 £
Unrestricted funds				
General fund	13,526	186,016	85,203	284,745
Restricted funds				
Migrant workers and work with dignity	211,633	(143,549)	-	68,084
Digital dangers	-	24,055	-	24,055
East Africa programme	58,586	(58,585)	-	-
Mega Sporting events programme	13,967	237,425	(85,203)	166,189
Myanmar Centre for Responsible Business	557,507	118,042	-	675,549
Corporate human rights benchmarking	44,974	35,618	-	80,592
High Risk Markets	-	58,207	-	58,207
	<u>886,667</u>	<u>271,213</u>	<u>(85,203)</u>	<u>1,357,421</u>
TOTAL FUNDS	<u>900,193</u>	<u>457,229</u>	<u>-</u>	<u>1,357,421</u>

CHARITY	At 1.1.16 £	Net movement in funds £	Transfers between funds £	At 31.12.16 £
Unrestricted funds				
General fund	9,884	186,220	85,203	281,307
Restricted funds				
Migrant workers and work with dignity	211,633	(143,549)	-	68,084
Digital dangers	-	24,055	-	24,055
East Africa programme	58,585	(58,585)	-	-
Mega Sporting events programme	13,967	237,425	(85,203)	166,189
Myanmar Centre for Responsible Business	557,507	118,042	-	675,549
Corporate human rights benchmarking	44,974	35,618	-	80,592
High Risk Markets	-	58,207	-	58,207
	<u>886,666</u>	<u>271,213</u>	<u>(85,203)</u>	<u>1,072,676</u>
TOTAL FUNDS	<u>896,550</u>	<u>457,433</u>	<u>-</u>	<u>1,353,983</u>

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016**

19. MOVEMENT IN FUNDS - continued

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

GROUP	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	596,122	(410,106)	186,016
Restricted funds			
Migrant workers and work with dignity	221,028	(364,577)	(143,549)
Digital dangers	39,055	(15,000)	24,055
East Africa programme	67,089	(125,674)	(58,585)
Mega Sporting events programme	568,022	(330,597)	237,425
Myanmar Centre for Responsible Business	848,439	(730,397)	118,042
Corporate human rights benchmarking	312,855	(277,237)	35,618
High Risk Markets	109,998	(51,791)	58,207
	<u>2,166,486</u>	<u>(1,895,273)</u>	<u>271,213</u>
TOTAL FUNDS	<u><u>2,762,608</u></u>	<u><u>(2,305,379)</u></u>	<u><u>457,229</u></u>
CHARITY	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	381,205	(194,985)	186,220
Restricted funds			
Migrant workers and work with dignity	221,028	(364,577)	(143,549)
Digital dangers	39,055	(15,000)	24,055
East Africa programme	67,089	(125,674)	(58,585)
Mega Sporting events programme	568,022	(330,597)	237,425
Myanmar Centre for Responsible Business	848,439	(730,397)	118,042
Corporate human rights benchmarking	312,855	(277,237)	35,618
High Risk Markets	109,998	(51,791)	58,207
	<u>2,166,486</u>	<u>(1,895,273)</u>	<u>271,213</u>
TOTAL FUNDS	<u><u>2,547,691</u></u>	<u><u>(2,090,258)</u></u>	<u><u>457,433</u></u>

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016**

19. MOVEMENT IN FUNDS - continued

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

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

Digital Dangers: Identifying and mitigating threats to human rights in the Digital Realm.

East Africa Programme: Clarifying corporate responsibilities relating to oil and gas exploration and production in the region.

Mega Sporting Events Programme: Human rights in the context of mega sporting events (FIFA World Cup, Olympic Games etc).

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

Corporate Human Rights Benchmark: Developing benchmarks for ranking company human rights performance.

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

Transfers between funds

Under terms agreed with certain donors a proportion of funds raised for the Mega Sporting events programme could be transferred to unrestricted reserves if not required for the programme during the year.

Upon review of the finances of this programme at the end of the accounting period a transfer of £85,203 has been made to unrestricted funds.

20. PENSION COMMITMENTS - GROUP

The parent charity contributed to defined contribution pension schemes for all of the employees during the period. Contributions of £37,413 (2015 - £40,112) have been charged to the Statement of Financial Activities for the period under review. As at 31 December 2016 there were no unpaid contributions (2015 - £4,176).

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
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21. RELATED PARTY DISCLOSURES

C Marsden
Trustee

During the year the parent charity received loan advances of £30,000 (2015 - £0). The loans were repaid during the year therefore there was no balance due from the charity at the balance sheet date. The loan to the charity had no fixed repayment term and was interest free.

J Morrison
Senior employee

During the year net repayments of £14,843 were made. Interest of £837 was charged during the year at 4%. This loan is due for repayment by 31 December 2017.

	2016	2015
	£	£
Amount due from related party at balance sheet date	<u>10,249</u>	<u>25,092</u>

22. FIRST YEAR ADOPTION

The parent charity has adopted FRS102 and the FRS102 SORP for the first time in these Consolidated Financial Statements. There are no changes to the balances reported under the previous accounting framework nor to accounting policies as a result of this change in the accounting framework.