

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 2014  
FOR**

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS  
LIMITED**

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**INSTITUTE FOR HUMAN RIGHTS & BUSINESS  
LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2014**

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# **INSTITUTE FOR HUMAN RIGHTS & BUSINESS LIMITED**

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2014**

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 its subsidiary undertakings for the year ended 31 December 2014. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

### **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 Freeman  
B E Edlund  
L R Lindsay

#### **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 2014**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The parent 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 four 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 experience from government, business and civil society. The other members of the International Advisory Board have been selected on a similar basis with consideration for gender and national diversity. 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.

**Organisational structure**

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

The Institute's core staff and consultants during 2014 were:

John Morrison (Executive Director)  
Motoko Aizawa (Managing Director, IHRB USA)  
Jon Barnes (Director of Programmes)  
Vicky Bowman (Director, Myanmar Centre for Responsible Business)  
Job Ogonda (Director, East Africa and the Nairobi Process)  
Margaret Wachenfeld (Director of Research and Legal Affairs)  
Luis Fernando de Angulo (Senior Advisor, Latin America)  
Frances House (Senior Advisor, Strategy)  
Scott Jerbi (Senior Advisor, Policy and Outreach)  
Malin Oud (Senior Advisor, China)  
Salil Tripathi (Senior Advisor, Global Issues)  
Vanessa Bissessur (Operations Manager)  
Donna Guest (Senior Advisor, South East Asia)  
Wambui Kimathi (Chair of Advisory Group, Nairobi Process)  
Rose Kimotho (Programme Manager for East Africa)  
Lucy Purdon (Project Manager, Information and Communication Technology)  
Kelly D Scott (Regional Liaison Manager)  
Haley St Dennis (Project Manager, Research and Legal Affairs)  
Neil Wilkins (Project Manager, Migrant Workers and Work With Dignity)

In addition, the Institute currently has seven Research Fellows.

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS  
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**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

The day to day management of the parent charity and its subsidiary undertakings is delegated by the trustees to J Morrison.

The board of trustees are responsible for decision making at strategic level.

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, B Freeman, I Hilton, D Kemp, R Lindsay, C Marsden and M Taylor.

**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 parent charity and its subsidiary undertakings are and will remain solvent; charitable funds and assets are used reasonably, and only in furtherance of the parent charity's objects; undertaking activities that might place the parent charity and its subsidiary undertakings' funds, assets or reputation at undue risk is avoided and special care when investing the funds of the parent charity and its subsidiary undertakings, or borrowing funds for the parent charity and its subsidiary undertakings 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 parent charity and its subsidiary undertakings, or where the trustees may be in breach of their duties is considered.

**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.

It aims to better protect human rights through:

- Shaping policy,
- Advancing practice,
- Strengthening accountability.

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, focusing on four "flows": the flows of information, finance, workers and commodities.

## **INSTITUTE FOR HUMAN RIGHTS & BUSINESS LIMITED**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2014**

#### **OBJECTIVES AND ACTIVITIES**

##### **Significant activities**

In order to achieve its objectives, IHRB works through both its geographic, regional programmes and its global, thematic programmes. All of this work is supported by research, policy development, the analysis of practice and communication organised from London, Geneva, Brussels and Washington DC.

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

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

In addition to these, IHRB is part of a consortium based in Beijing, China:

- **China** (consortium partner in China Responsible Business Forum)

The global thematic work is organised around the four global flows underpinning globalisation:

- **Information** - "Digital Dangers" (case studies on company approaches to incorporating human rights in the ICT sector)
- **Workers** - "Dhaka Principles for Migration with Dignity" and work with dignity (this includes an ILO Consortium on ethical recruitment from South Asia and a project on protecting migrant workers during public procurement processes)
- **Finance** - Multi-stakeholder development of the Corporate Human Rights Benchmark, work on investment and other areas of finance
- **Commodities** - focus on Oil & Gas, Mining and Agriculture

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

- **Mega-sporting Events** (Striving for excellence: human rights in mega-sporting events)

Finally, the regional centres and thematic work are supported through research looking at the three components of the "UN Protect, Respect, Remedy" framework:

- **State Duties** (e.g. "Human Rights within the Political Economies of States")
- **Business Due Diligence** (e.g. "Sector-Wide Impact Assessments")
- **Remedies** (e.g. National Contact Points, National Human Rights Institutions)

##### **How our activities deliver public benefit**

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

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

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**ACHIEVEMENT AND PERFORMANCE**

**Charitable activities**

During 2014, IHRB achieved the following:

- (1) Development of regional centres on responsible business.** The Myanmar Centre for Responsible Business (MCRB) was established in 2013 and during 2014, IHRB was able to establish similar centres in Kenya and Colombia - coming into full existence in 2015. 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) Establishing a methodology for understanding the impact of a business sector on human rights.** In July 2014, IHRB, MCRB and the Danish Institute for Human Rights launched our Sector-Wide Impact Assessment on Oil and Gas for Myanmar. The assessment looks at human rights impacts at three levels - the project level, cumulative impacts from multiple projects in the same area and aggregate impacts at the national level. The full publication has been very well received. IHRB is currently leading a second sector wide impact assessment of the ICT sector in Myanmar. In the second half of 2014, IHRB started a sector-wide assessment of mining in Colombia.
- (3) Launching a programme to develop benchmarks for ranking company human rights performance.** In December 2014 at the United Nations, IHRB together, with our partners, launched a ten-year project to develop benchmarks for measuring the human rights performance of companies globally. The partners are AVIVA, Calvert, EIRIS, the Business and Human Rights Resource Centre and VBDO.
- (4) Demonstrating the existence of a range of corporate dilemmas relating to human rights and ICT and concrete measures to address these.** In October 2014, IHRB and Wilton Park hosted an expert residential meeting on surveillance and the right to privacy at which IHRB discussed its various case-studies based on Safaricom, Ericsson, Microsoft and Telenor.
- (5) Demonstrating that third party labour providers represent one of the greatest risks in global supply chains.** IHRB continued to promote the Dhaka Principles on Migration with Dignity at events across Europe, the Gulf and South Asia. During 2014, IHRB participated in events relating to the drafting of the UK Anti-Slavery Bill and the ILO 2014 Protocol relating to the Forced Labour Convention.
- (6) Moving towards the establishment of a permanent hub for social learning between mega-sporting events.** In May 2014, IHRB launched our [www.megasportingevents.org](http://www.megasportingevents.org) website in Rio de Janeiro based on the learning relating to the 2014 FIFA World Cup and 2012 London Olympics, from the perspective of civil society, business and government.

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS  
LIMITED**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**ACHIEVEMENT AND PERFORMANCE**

**Fundraising activities**

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

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

Business funding is only accepted as core funding with no conditions attached.

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

The Institute does not provide specific services to any organisation in return for funding received.

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**

There were no donations made by the parent charity in 2014.

Grant funding was given by the parent charity to Myanmar Business Coalition on Aid to finance a project and the associated reporting.

**FINANCIAL REVIEW**

**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.

**Trading subsidiaries**

During the year The Institute of Human Rights & Business Limited had two active subsidiaries: IHRB Trading Limited and Myanmar Centre For Responsible Business Limited. Details of all subsidiaries, including dormant entities are given in note 6.

**IHRB Trading Limited**

The company's main activity is human rights related consultancy services, which promote the parent charity objects. All taxable profits generated are transferred to The Institute as a Gift Aid payment. The turnover for the year was £98,461 (2013 – £173,181). Net operating profit/(loss) before the Gift Aid payment to The Institute was £12,330 (2013 – £73,885).

**Myanmar Centre For Responsible Business Limited**

The company's main activity is support for IHRB activity in Myanmar. The turnover for the year was £121,336 (2013 – nil). Net operating profit/(loss) for 2014 was nil (2013 – nil).

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS  
LIMITED**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**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 a purely 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.

**FUTURE DEVELOPMENTS**

During 2015, our centres in Kenya and Colombia will be fully established under local law, with their own boards and governance arrangements. The centre in Myanmar will also be moving into stronger local ownership. IHRB will continue to demonstrate the impact of our work through these regional centres, as well as increasingly strategic engagement across the four global flows. 2015 brings specific opportunities in relation to the UN Sustainable Development Goals and it is important that all efforts to engage the private sector are fully accountable and align with legitimate social outcomes. IHRB will endeavour to communicate the importance of this work through its next State of Play flagship report.

**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 parent charitable company and its subsidiary undertakings and of the incoming resources and application of resources, including the income and expenditure, of the parent charitable company and its subsidiary undertakings 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 parent charitable company and its subsidiary undertakings will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the parent charitable company and its subsidiary undertakings 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 parent charitable company and its subsidiary undertakings and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS  
LIMITED**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2014**

In so far as the trustees are aware:

- there is no relevant audit information of which the parent charitable company and its subsidiary undertakings' 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.

**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 26/3/2015 and signed on its behalf by:



C Marsden - Trustee

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS AND TRUSTEES 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 2014 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and the Parent Charitable Company Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 regulations made under 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 its 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 set out on page nine, 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 (APB'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 Trustees' Annual Report 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 2014 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 applicable to smaller entities; 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  
LIMITED**

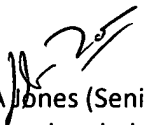
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

  
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: .....31-3-2015.....

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS  
LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENSE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2014**

				2014	2013
		Unrestricted	Restricted	Total funds	Total funds
	Notes	fund	funds		
		£	£	£	£
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income	2	389,214	3,030,303	3,419,517	1,741,081
Commercial trading operations	3	98,461	-	98,461	173,181
Investment income	4	1,700	488	2,188	2,621
Other incoming resources		-	5,772	5,772	-
<b>Total incoming resources</b>		<b>489,375</b>	<b>3,036,563</b>	<b>3,525,938</b>	<b>1,916,883</b>
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds</b>					
Costs of generating voluntary income	5	27,231	-	27,231	25,686
Commercial trading operations	6	87,741	-	87,741	98,916
<b>Charitable activities</b>					
	7				
Migrant workers and work with dignity		-	100,878	100,878	118,488
Human rights due diligence programme		-	-	-	519,014
Corporate accountability programme		-	-	-	36,761
Digital dangers		64,331	86,253	150,584	158,854
East Africa programme		5,274	318,824	324,098	201,597
Myanmar Centre for Responsible Business		-	870,497	870,497	687,768
Mega sporting events programme		70,538	108,410	178,948	43,536
China responsible business forum		30,550	52,582	83,132	-
Corporate human rights benchmark		1,102	1,783	2,885	-
South America programme		43,410	38,884	82,294	-
Programme research		35,516	17,995	53,511	-
Other outreach activity		45,946	-	45,946	-
Grants to other human rights entities	8	-	48,663	48,663	-
<b>Governance costs</b>	10	<b>17,127</b>	<b>-</b>	<b>17,127</b>	<b>15,618</b>
<b>Total resources expended</b>		<b>428,766</b>	<b>1,644,769</b>	<b>2,073,535</b>	<b>1,906,238</b>
<b>NET INCOMING/(OUTGOING) RESOURCES</b>		<b>60,609</b>	<b>1,391,794</b>	<b>1,452,403</b>	<b>10,645</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>90,885</b>	<b>261,881</b>	<b>352,766</b>	<b>342,121</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>151,494</b>	<b>1,653,675</b>	<b>1,805,169</b>	<b>352,766</b>

The notes form part of these financial statements

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

**CONSOLIDATED AND CHARITY BALANCE SHEETS  
AT 31 DECEMBER 2014**

	Notes	Consolidated 2014 £	Consolidated 2013 £	Charity 2014 £	Charity 2013 £
<b>FIXED ASSETS</b>					
Tangible assets	14	3,118	2,066	3,118	2,066
Investments	15	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
		3,118	2,066	3,120	2,068
<b>CURRENT ASSETS</b>					
Debtors falling due within one year	16	1,575,630	408,522	1,594,973	430,501
Debtors falling due more than one year	16	465,482	30,450	441,246	-
Cash at bank and in hand		<u>301,464</u>	<u>240,922</u>	<u>289,969</u>	<u>237,424</u>
		2,342,576	679,894	2,326,188	667,925
<b>CREDITORS</b>					
Amounts falling due within one year	17	<u>(540,525)</u>	<u>(329,194)</u>	<u>(522,639)</u>	<u>(317,227)</u>
<b>NET CURRENT ASSETS</b>		<u>1,802,051</u>	<u>350,700</u>	<u>1,803,549</u>	<u>350,698</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,805,169</u>	<u>352,766</u>	<u>1,806,669</u>	<u>352,766</u>
<b>NET ASSETS</b>		<u>1,805,169</u>	<u>352,766</u>	<u>1,806,669</u>	<u>352,766</u>
<b>FUNDS</b>					
Unrestricted funds	18	151,496	90,885	152,996	90,885
Restricted funds	18	<u>1,653,673</u>	<u>261,881</u>	<u>1,653,673</u>	<u>261,881</u>
		<u>1,805,169</u>	<u>352,766</u>	<u>1,806,669</u>	<u>352,766</u>

The notes form part of these financial statements

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

**CONSOLIDATED AND CHARITY BALANCE SHEETS - CONTINUED  
AT 31 DECEMBER 2014**

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on 26/3/15 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'C Marsden', written in a cursive style.

C Marsden -Trustee

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

**Preparation of consolidated financial statements**

The group financial statements consolidate the results of the charity and its wholly owned subsidiaries IHRB Trading Limited and Myanmar Centre for Responsible Business Ltd on a line-by-line basis. As permitted by Section 408 of the Companies Act 2006, and also paragraph 397 of SORP 2005, no separate statement of financial activities is presented in respect of the parent company.

**Exemption from preparing a cash flow statement**

Exemption has been taken from preparing a cash flow statement on the grounds that the charitable company qualifies as a small charitable company.

**Incoming resources**

All incoming resources are included on the Statement of Financial Activities when the parent charity and its subsidiary undertakings are legally entitled to the income and the amount can be quantified with reasonable accuracy.

**Resources expended**

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.

**Allocation and apportionment of costs**

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

**Tangible fixed assets**

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

Computer equipment	- 33% on cost
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**Taxation**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES - continued

**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.

**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.

2. VOLUNTARY INCOME

	2014 £	2013 £
Business grants & donations	337,894	116,345
Foundation grants & donations	341,412	250,792
Government grants & donations	<u>2,740,211</u>	<u>1,373,944</u>
	<u>3,419,517</u>	<u>1,741,081</u>

3. COMMERCIAL TRADING OPERATIONS

	2014 £	2013 £
Consultancy	<u>98,461</u>	<u>173,181</u>

4. INVESTMENT INCOME

	2014 £	2013 £
Deposit account interest	<u>2,188</u>	<u>2,621</u>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**5. COSTS OF GENERATING VOLUNTARY INCOME**

	2014	2013
	£	£
Staff costs	7,490	15,859
Insurance	652	818
Telephone	2,538	1,154
Postage and stationery	312	524
Sundries	317	1,138
Consultancy	941	-
Website	4,459	1,571
Office rent	1,920	1,647
IT expenses	117	314
Accountancy and back office support	5,238	2,335
Recruitment costs	-	62
Travel & accommodation	2,401	-
Depreciation	431	175
Interest payable and similar charges	415	89
	<u>27,231</u>	<u>25,686</u>

**6. 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.

IHRB Trading Ltd	2014	2013
	£	£
Turnover	98,461	173,181
Other income	1,610	2,185
Administration and other costs	<u>(87,741)</u>	<u>(98,816)</u>
Operating profit/(loss)	12,330	76,550
Taxation	<u>-</u>	<u>100</u>
Net income	12,330	76,450
Amount gift aided to the charity	<u>(12,330)</u>	<u>(73,885)</u>
Retained in subsidiary	<u>-</u>	<u>2,565</u>

As at 31 December 2014, IHRB Trading Ltd had £1 net assets (2013 - £1). This comprised assets of £60,699 (2013 - £72,228) and liabilities of £60,698 (2013 - £72,227).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**5. COSTS OF GENERATING VOLUNTARY INCOME**

	2014	2013
	£	£
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**8. GRANTS PAYABLE**

	2014	2013
	£	£
Grants to other human rights entities	<u>48,663</u>	<u>-</u>

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

	2014	2013
	£	£
Myanmar Business Coalition on Aid	<u>48,663</u>	<u>-</u>

**9. SUPPORT COSTS**

	Management	Finance	Information technology	Totals
	£	£	£	£
Migrant workers and work with dignity	11,990	232	3,251	15,473
Digital dangers	10,504	232	4,228	14,964
East Africa programme	25,414	253	5,163	30,830
Myanmar Centre for Responsible Business	68,378	-	23,871	92,249
Mega sporting events programme	10,696	237	4,166	15,099
China responsible business forum	12,575	233	2,919	15,727
Corporate human rights benchmark	-	-	195	195
South America programme	9,110	233	2,895	12,238
Programme research	9,634	233	2,869	12,736
Other outreach activity	<u>11,150</u>	<u>233</u>	<u>2,900</u>	<u>14,283</u>
	<u>169,451</u>	<u>1,886</u>	<u>52,457</u>	<u>223,794</u>

**10. GOVERNANCE COSTS**

	2014	2013
	£	£
Auditors' remuneration	3,660	2,682
Board meeting expenses	<u>13,467</u>	<u>12,936</u>
	<u>17,127</u>	<u>15,618</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**11. NET INCOMING/(OUTGOING) RESOURCES - GROUP**

Net resources are stated after charging/(crediting):

	2014 £	2013 £
Auditors' remuneration:		
Audit of charitable company financial statements	2,160	2,682
Audit of trading subsidiaries	3,000	1,500
Depreciation - owned assets	<u>2,363</u>	<u>2,191</u>

**12. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 December 2014 nor for the year ended 31 December 2013.

**Trustees' expenses**

Travel expenses reimbursed to the trustees are as follows:

	£
C Marsden	1,826

**13. STAFF COSTS**

	2014 £	2013 £
Wages and salaries	696,121	658,605
Social security costs	79,836	80,527
Other pension costs	<u>32,797</u>	<u>29,817</u>
	<u>808,754</u>	<u>768,949</u>

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

2014	2013
<u>10</u>	<u>10</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**13. STAFF COSTS - continued**

The number of employees whose emoluments fell within the following bands was:

	2014	2013
£60,001 - £70,000	1	-
£80,001 - £90,000	-	2
£100,001 - £110,000	1	-
£110,001 - £120,000	-	1
£140,001 - £150,000	1	-
	<u>3</u>	<u>3</u>

Retirement benefits are accruing to three employees earning over £60,000 per annum. The total pension contributions paid in respect of said employees was £15,139 for the period ended 31 December 2014 (2013 - £14,808)

**14. TANGIBLE FIXED ASSETS – GROUP AND CHARITY**

	Computer equipment £
<b>COST</b>	
At 1 January 2014	13,773
Additions	<u>3,415</u>
At 31 December 2014	<u>17,188</u>
<b>DEPRECIATION</b>	
At 1 January 2014	11,707
Charge for year	<u>2,363</u>
At 31 December 2014	<u>14,070</u>
<b>NET BOOK VALUE</b>	
At 31 December 2014	<u>3,118</u>
At 31 December 2013	<u>2,066</u>

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

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**15. FIXED ASSET INVESTMENTS**

**IHRB Trading Limited**

Country of incorporation: England & Wales

Nature of business: Consultancy Services

	%
Class of share:	holding
Ordinary	100

	2014	2013
	£	£
Aggregate capital and reserves	1	1
Profit for the year	<u>-</u>	<u>2,565</u>

**Myanmar Centre for Responsible Business Limited**

Country of incorporation: England & Wales

Nature of business: Support Services

	%
Class of share:	holding
Ordinary	100

	2014	31.12.13
	£	£
Aggregate capital and reserves	1	1
Profit for the year	<u>-</u>	<u>-</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**16. DEBTORS – GROUP AND CHARITY**

**AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group 2014 £	Group 2013 £	Charity 2014 £	Charity 2013 £
Trade debtors	510,622	181,225	492,882	158,137
Other debtors	11,214	15,537	345	345
Amounts owed by group undertakings	-	-	47,952	60,259
Accrued income	1,036,800	193,834	1,036,800	193,834
Prepayments	<u>16,994</u>	<u>17,926</u>	<u>16,994</u>	<u>17,926</u>
	<u>1,575,630</u>	<u>408,522</u>	<u>1,594,973</u>	<u>430,501</u>

**AMOUNTS FALLING DUE MORE THAN ONE YEAR**

Other debtors	24,236	30,450	-	-
Accrued income	<u>441,246</u>	<u>-</u>	<u>441,246</u>	<u>-</u>
	<u>465,482</u>	<u>30,450</u>	<u>441,246</u>	<u>-</u>

<b>AGGREGATE AMOUNTS</b>	<u>2,041,112</u>	<u>438,972</u>	<u>2,036,219</u>	<u>430,501</u>
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**17. CREDITORS – GROUP AND CHARITY**

**AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group 2014 £	Group 2013 £	Charity 2014 £	Charity 2013 £
Trade creditors	65,894	37,374	64,970	32,357
Amounts owed to group undertakings	-	-	7,270	1
Social security and other taxes	24,423	32,298	22,191	26,949
Other creditors	32,441	-	21,533	-
Accrued expenses	82,890	34,781	71,800	33,179
Deferred income	<u>334,875</u>	<u>224,741</u>	<u>334,875</u>	<u>224,741</u>
	<u>540,525</u>	<u>329,194</u>	<u>522,639</u>	<u>317,227</u>

Deferred income as at 31 December 2014 comprises grant funding received in the period of £331,802 and rent received of £3,073. The grant has been made for activities in 2015 and 2016 and rent has been apportioned based on the tenancy period.

Deferred income of £224,741 for the period to 31 December 2013 relates to a grant received in 2013 for 2014 and has been released in the current period.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**18. MOVEMENT IN FUNDS**

<b>GROUP</b>	<b>At 1.1.14 £</b>	<b>Net movement in funds £</b>	<b>At 31.12.14 £</b>
<b>Unrestricted funds</b>			
General fund	90,885	60,611	151,496
<b>Restricted funds</b>			
Migrant workers and work with dignity	-	104,210	104,210
Myanmar Centre for Responsible Business	261,881	950,275	1,212,156
East Africa programme	-	299,090	299,090
Corporate human rights benchmarking	-	38,217	38,217
	<u>261,881</u>	<u>1,391,792</u>	<u>1,653,673</u>
<b>TOTAL FUNDS</b>	<u>352,766</u>	<u>1,452,403</u>	<u>1,805,169</u>

<b>CHARITY</b>	<b>At 1.1.14 £</b>	<b>Net movement in funds £</b>	<b>At 31.12.14 £</b>
<b>Unrestricted funds</b>			
General fund	90,885	62,111	152,996
<b>Restricted funds</b>			
Migrant workers and work with dignity	-	104,210	104,210
Myanmar Centre for Responsible Business	261,881	950,275	1,212,156
East Africa programme	-	299,090	299,090
Corporate human rights benchmarking	-	38,217	38,217
	<u>261,881</u>	<u>1,391,792</u>	<u>1,653,673</u>
<b>TOTAL FUNDS</b>	<u>352,766</u>	<u>1,453,903</u>	<u>1,806,669</u>

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**18. MOVEMENT IN FUNDS - continued**

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

<b>GROUP</b>	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	489,375	(428,764)	60,611
<b>Restricted funds</b>			
Migrant workers and work with dignity	205,089	(100,879)	104,210
Digital dangers	86,253	(86,253)	-
East Africa programme	617,915	(318,825)	299,090
Mega Sporting events programme	108,410	(108,410)	-
Myanmar Centre for Responsible Business	1,869,435	(919,160)	950,275
China responsible business forum	52,582	(52,582)	-
Corporate human rights benchmarking	40,000	(1,783)	38,217
South America programme	38,884	(38,884)	-
Programme research	17,995	(17,995)	-
	3,036,563	(1,644,771)	1,391,792
<b>TOTAL FUNDS</b>	<b>3,525,938</b>	<b>(2,073,535)</b>	<b>1,452,403</b>

<b>CHARITY</b>	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	401,634	(339,523)	62,111
<b>Restricted funds</b>			
Migrant workers and work with dignity	205,089	(100,879)	104,210
Digital dangers	86,253	(86,253)	-
East Africa programme	617,915	(318,825)	299,090
Mega Sporting events programme	108,410	(108,410)	-
Myanmar Centre for Responsible Business	1,869,435	(919,160)	950,275
China responsible business forum	52,582	(52,582)	-
Corporate human rights benchmarking	40,000	(1,783)	38,217
South America programme	38,884	(38,884)	-
Programme research	17,995	(17,995)	-
	3,036,563	(1,644,771)	1,391,792
<b>TOTAL FUNDS</b>	<b>3,438,197</b>	<b>(1,984,294)</b>	<b>1,453,903</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**18. 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: 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.

China Responsible Business Forum: The programme aims to build business knowledge, capacity and leadership in relation to the UN Guiding Principles on Business and Human Rights for Chinese business leaders and companies operating in China.

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

South America Programme: Identifying the role the extractive sector can play in eradicating poverty and promoting sustainable development.

Programme Research: Research for emerging Human Rights issues.

**19. PENSION COMMITMENTS - GROUP**

The parent charity contributed to defined contribution pension schemes for all of the employees during the period. Contributions of £32,795 (2013 - £29,818) have been charged to the Consolidated Statement of Financial Activities for the period under review. As at 31 December 2014 £992 contributions were unpaid (2013 - £11,121).

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
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**20. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS**

<b>GROUP</b>	<b>Restricted funds</b>	<b>Unrestricted funds</b>	<b>Total 2014</b>
Fixed assets	-	3,118	3,118
Current assets	2,090,399	252,177	2,342,506
Current liabilities	<u>(436,726)</u>	<u>(103,799)</u>	<u>(540,525)</u>
Net current assets/ (liabilities)	1,653,673	148,378	1,801,981
Long term liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Net assets	<u>1,653,673</u>	<u>151,496</u>	<u>1,805,169</u>

<b>CHARITY</b>	<b>Restricted funds</b>	<b>Unrestricted funds</b>	<b>Total 2014</b>
Fixed assets	-	3,120	3,120
Current assets	2,090,399	235,789	2,326,188
Current liabilities	<u>(436,726)</u>	<u>(85,913)</u>	<u>(522,639)</u>
Net current assets/ (liabilities)	1,653,673	149,876	1,803,549
Long term liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Net assets	<u>1,653,673</u>	<u>152,996</u>	<u>1,806,669</u>

**20. RELATED PARTY DISCLOSURES**

In accordance with the requirements of the Financial Reporting Standard for Smaller Entities, the following are details of related party transactions:

**J Morrison**

Senior employee

During the year Mr Morrison repaid £12,141 to IHRB Trading Limited, Interest of £1,604 at 4% was charged during the year. The loan is due for repayment by 31 December 2017.

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Amount due from related party at balance sheet date	<u>35,105</u>	<u>45,642</u>