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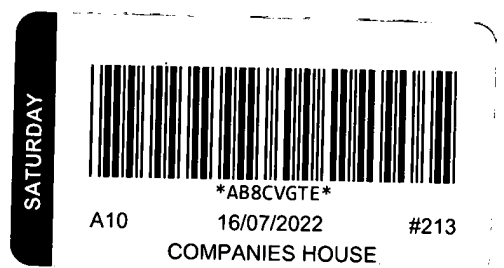
Company Number: FC028342

INTERNATIONAL BAR ASSOCIATION

REPORT AND FINANCIAL STATEMENTS

For the year ended

31 DECEMBER 2021



INTERNATIONAL BAR ASSOCIATION

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INTERNATIONAL BAR ASSOCIATION

REPORT OF THE DIRECTORS

The Directors present the audited financial statements for the year ended 31 December 2021. The International Bar Association (Association) is incorporated in the State of New York as a Not for Profit organization under section 501(c)6.

The principal aims and objectives of the Association are to encourage the discussion of problems relating to legal and professional organisations and status, to promote the exchange of information between legal associations worldwide, to support the independence of the judiciary and the right of lawyers to practise their profession without interference, to keep abreast of developments in the law and help with improving and making new laws.

Statements of responsibilities

The Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit for that period in accordance with United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice and applicable law). In preparing those financial statements, the Management Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association. The Directors have general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

By order of the Directors



Sternford Moyo
President
Date: 31st March, 2022

INTERNATIONAL BAR ASSOCIATION

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Income			
Total income from all activities	2	5,859,545	7,286,565
Cost of Sales		(897,155)	(1,580,646)
Gross Surplus		4,962,390	5,705,919
Expenditure			
Administrative expenditure		(7,610,677)	(8,627,852)
Operating (Deficit)	3	(2,648,287)	(2,921,933)
Bank interest		352	24,048
Revaluation of investments		1,260,296	1,484,752
(Deficit) for the year on ordinary activities before taxation		(1,387,639)	(1,413,133)
Taxation	6	-	-
(Deficit) for the year after taxation		(1,387,639)	(1,413,133)

The notes on pages 6 to 15 form part of these financial statements.

INTERNATIONAL BAR ASSOCIATION

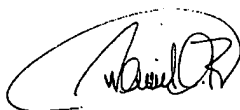
BALANCE SHEET AS AT 31 DECEMBER 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	7	48,484	151,726
Intangible assets	8	1,372,479	853,750
Investments	9	14,029,355	12,769,059
		<u>15,450,318</u>	<u>13,774,535</u>
Current assets			
Debtors	10	3,052,789	3,432,633
Cash at bank and in hand		13,770,164	17,044,304
		<u>16,822,953</u>	<u>20,476,937</u>
Current liabilities			
Creditors: amounts failing due within one year	11	(2,579,965)	(3,170,527)
Net current assets		<u>14,242,988</u>	<u>17,306,410</u>
Net assets		<u>29,693,306</u>	<u>31,080,945</u>
Capital and reserves			
Accumulated reserves		28,470,733	30,062,495
Special Projects fund		500,000	500,000
Human Rights reserve fund	13	722,573	518,450
		<u>29,693,306</u>	<u>31,080,945</u>

These financial statements were approved by the Directors on 28th March, 2022 and were signed on its behalf by:



Sternford Moyo
President



Daniel Del Rio
Treasurer

The notes on pages 6 to 15 form part of these financial statements.

INTERNATIONAL BAR ASSOCIATION

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 DECEMBER 2021

	Accumulated reserves £	Special projects fund £	Human Rights Reserve fund £	Total £
At 1 January 2020	31,699,847	500,000	294,231	32,494,078
Deficit for the year after taxation	(1,413,133)	-	-	(1,413,133)
Transfer between reserves	(224,219)	-	224,219	-
At 31 December 2020	30,062,495	500,000	518,450	31,080,945
Deficit for the year after taxation	(1,387,639)	-	-	(1,387,639)
Transfer between reserves	(204,123)	-	204,123	-
At 31 December 2021	28,470,733	500,000	722,573	29,693,306

The notes on pages 6 to 15 form part of these financial statements.

INTERNATIONAL BAR ASSOCIATION

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Net cash (outflow) from operating activities	14	(2,670,326)	(4,788,793)
Taxation		-	-
Cash flows from investing activities			
Interest received		352	24,048
Proceeds from the disposal of investments		-	5,000,000
Payments to acquire tangible assets		(6,137)	(51,902)
Payments to acquire intangible assets		(462,000)	(470,000)
(Decrease) in cash and cash equivalents		<u>(3,138,111)</u>	<u>(286,647)</u>
Cash and cash equivalents at beginning of year		17,044,304	17,179,004
Effect of foreign exchange rate changes		(136,029)	151,947
Cash and cash equivalents at end of year		<u>13,770,164</u>	<u>17,044,304</u>

Statement of bank and cash balances

	2021 £	2020 £
Current and call accounts	13,722,082	17,036,335
Deposit accounts	48,082	7,969
Total cash at bank and in hand	<u>13,770,164</u>	<u>17,044,304</u>

Analysis of change in net funds

	Brought forward	Net Cash flows	Exchange rate movements	Carried forward
	£	£	£	£
Cash at bank and in hand	17,044,304	(3,410,169)	136,029	13,770,164

The notes on pages 6 to 15 form part of these financial statements.

INTERNATIONAL BAR ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies

The International Bar Association is a private organisation registered and incorporated in New York, United States of America. The address of the registered office is International Bar Association c/o Capitol Services, Inc., 1218 Central Avenue, Suite 100, Albany, New York 12205. The principal place of business is 4th Floor, 5 Chancery Lane, London, WC2A 1LG. The principal activities are to promote and facilitate an interchange of information and views among members with respect to laws, practices and professional responsibilities, by way of organised conferences and seminars, training programs and producing wide varieties of publications and on-line content, covering many areas of legal practice.

The following accounting policies have been applied consistently in the current and prior year in dealing with items which are considered material in relation to the International Bar Association's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and section 396 of the Overseas Companies Regulations 2009. These financial statements were audited in accordance with ISAs (UK).

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

Going concern

The Directors, having made appropriate enquiries, and reviews of business plans and forecasts consider that adequate resources exist to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the financial statements for the year ended 31 December 2021.

The Directors have considered the effects of COVID-19 on the business activities of the Association. Based on plausible worst-case forecast, and considering available cash and investment reserves, the Directors are confident that the strong reserve position will support the Association during the foreseeable future. During these unprecedented times the Directors will continue to monitor the situation and will take appropriate steps to ensure the Association can remain a going concern.

Subscription income

Subscription income is recognised on an accruals basis.

Subscriptions received relating to future years are treated as deferred income.

Conference and seminar income and expenditure

Conference and seminar income and expenditure are in respect of conferences and seminars held during the year. Amounts received and costs incurred in advance of conferences and seminars are treated as deferred income and expenditure.

Publication and other income

Income from publications or other sources, including administrative charges, interest and other sundry income, is recognized on an accruals basis and represents income on services provided in the current year. Any receipts relating to future years are treated as deferred income.

Grant income

Grant income is recognized when the resources are received or receivable where there are no specified future performance-related conditions. Where there are future performance-related conditions, income is recognised only when the performance-related conditions are met.

INTERNATIONAL BAR ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. All grants received relate to revenue and are recognised in income over the period in which the related costs are recognised.

As at 31 December 2021 there were no unfulfilled conditions or contingencies attached to the grants that have been recognised in income.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost less accumulated depreciation and any impairment losses.

Depreciation is on a straight-line basis over their estimated useful economic lives as follows:

Fixtures and fittings	- 10 years
Leasehold improvements	- remaining life of lease
Computers and other equipment	- 3 years

Intangible fixed assets

Intangible fixed assets are initially measured at cost and subsequently measured at cost less accumulated amortisation and any impairment losses. Intangibles in the course of development are carried at cost less any identified impairment loss. Amortisation commences when the assets are ready for their intended use.

Amortisation is on a straight line basis over 5 years.

Foreign currencies

The functional currency of the Association is considered to be pounds sterling because that is the currency of the primary economic environment in which the Association operates.

Transactions in currencies other than the functional currency are recorded using the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in currencies other than the functional currency are translated using the rates of exchange ruling at the balance sheet date, and the gains or losses on translation are included in the income and expenditure account.

Leased assets

Expenditure on operating leases is charged to the income and expenditure account on a straight-line basis over the life of the lease.

Pension scheme

The Association operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Association in an independently administered fund. The pension charge represents the contributions payable by the Association to the fund and amounted to £381,629 (2020: £439,057).

Taxation

The Association is incorporated in the state of New York, USA. As a not-for-profit organisation there is no charge to taxation in the USA. Within the United Kingdom, the office which continues to carry on the administrative functions principally carries on mutual trading. However, to the extent that it has identified that sponsorship income has exceeded cost for a number of events, giving rise to a non-mutual trading surplus, a tax provision has been provided.

Designated reserves

Special Projects Fund

The Special Projects Fund, previously named Eligible Fund, was established with the objective of giving value back to members and to build the international presence of the Association through projects agreed from time to time by the Management Board.

INTERNATIONAL BAR ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

Designated reserves (cont.)

This reserve is set and capped at £500,000, any shortfall in the reserve being made good by an annual transfer not exceeding 20% of the operating surplus for the year. Exceptionally the Management Board can vote for further transfers to the Fund.

Human Rights reserve fund

The International Bar Association's Human Rights Institute (HRI) works to promote, protect and enforce human rights under a just rule of law. This reserve represents the trading surplus held from time to time by this division of HRI.

Liquid resources

Liquid resources are readily disposable assets. They include money market deposits of varying terms broadly between overnight and six months that, although immediately accessible, can only be withdrawn without penalty on maturity.

Financial instruments

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Association intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Association transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Association, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

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

Investments

Investments are measured at fair value through profit or loss.

Fair value of investments is evidenced by the quoted price for identical assets held in an active market.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Association's accounting policies, which are described above, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The Directors do not consider there to be any key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

INTERNATIONAL BAR ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Income

	2021 £	2020 £
Subscription income	3,834,125	4,194,408
Publication income	75,959	68,955
Conference and seminar income	1,229,239	1,894,900
Grants		
- Government grants	393,218	481,160
- Other grants	259,336	397,509
Other income	67,668	249,633
	<u>5,859,545</u>	<u>7,286,565</u>

3. Operating deficit

This is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of owned tangible assets	83,936	165,500
Amortisation of intangible assets	181,271	-
Operating lease rentals	203,727	448,052
(Loss)/Gain on foreign exchange	(168,301)	137,379

4. Auditor's remuneration

	2021 £	2020 £
The analysis of auditor's remuneration is as follows:		
Amount payable to the auditor in respect of audit services	31,000	30,000
Fees payable to the auditor for other services:		
Tax services	34,720	38,620
Other	3,575	475
	<u>38,295</u>	<u>39,095</u>

5. Donations made/scholarships

	2021 £	2020 £
Charities		
IBA Human Rights Institute Trust	79,563	-
eyeWitness	73,510	-
Legal Aid Fund	(6,231)	90,000
	<u>146,842</u>	<u>90,000</u>
Of the £90,00 legal Aid Fund, only £83,770 was utilized in 2021. The balance of the fund (£6,231) was returned to the Association.		

INTERNATIONAL BAR ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

6. Taxation

a. Current tax

	2021 £	2020 £
UK corporation tax on non-mutual activities	-	-
Total current tax credit	-	-

b. Factors affecting tax charge for the year

The tax assessed for the year is higher (2020: higher) than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Deficit for the year on ordinary activities before taxation	(1,387,639)	(1,413,133)
Add surplus relating to mutual activities	1,063,840	1,063,995
Deficit taxable for the year	(323,799)	(349,138)
Deficit for the year multiplied by standard rate of corporation tax in the UK.	61,522	66,336
Non recognised deferred tax asset	(61,522)	(66,336)
Tax credit for the year	-	-

The Association is incorporated in the state of New York, USA. As a not-for-profit organisation there is no charge for taxation in the USA.

Within the United Kingdom, the office which continues to carry on the administrative functions principally carries on mutual trading. However, to the extent that it has identified that sponsorship income has exceeded cost for a number of events, giving rise to a non-mutual trading surplus, a tax provision has been provided as above.

No deferred tax asset has been recognized on unused tax losses as no taxable surplus is expected against which the losses could be relieved.

INTERNATIONAL BAR ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

7. Tangible fixed assets

	Leasehold additions £	Fixtures and fittings £	Computers and equipment £	Total £
Cost				
At 1 January 2021	673,245	183,017	769,428	1,625,690
Additions	-	-	6,137	6,137
Disposals	-	(51,042)	(5,222)	(56,264)
At 31 December 2021	673,245	131,975	770,343	1,575,563
Depreciation				
At 1 January 2021	633,929	146,706	693,329	1,473,964
Charge for year	39,316	6,204	38,416	83,936
Disposals	-	(29,043)	(1,778)	(30,821)
At 31 December 2021	673,245	123,867	729,967	1,527,079
Net book value				
At 31 December 2020	39,316	36,312	76,098	151,726
At 31 December 2021	-	8,108	40,376	48,484

8. Intangible assets

	Intangibles £	Total £
Cost		
At 1 January 2021	853,750	853,750
Additions	700,000	700,000
At 31 December 2021	1,553,750	1,553,750
Amortisation		
At 1 January 2021	-	-
Charge for year	181,271	181,271
At 31 December 2021	181,271	181,271
Net book value		
At 31 December 2020	853,750	853,750
At 31 December 2021	1,372,479	1,372,479

INTERNATIONAL BAR ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

9. Investments

The sums invested and movements in fair value of investments for the year ended 31 December 2021 are detailed below:

	Listed Investments £	Total £
At 1 January 2020	16,284,306	16,284,306
Additions	2,441,423	2,441,423
Disposals	(6,931,077)	(6,931,077)
Exchange rate movement	(510,345)	(510,345)
Movement in the fair value of listed investments	<u>1,484,752</u>	<u>1,484,752</u>
At 31 December 2020	12,769,059	12,769,059
Additions	2,046,265	2,046,265
Disposals	(1,635,746)	(1,635,746)
Movement in cash	(243,776)	(243,776)
Exchange rate movement	(166,743)	(166,743)
Movement in the fair value of listed investments	<u>1,260,296</u>	<u>1,260,296</u>
At 31 December 2021	<u><u>14,029,355</u></u>	<u><u>14,029,355</u></u>

The fair value of listed investments was determined with reference to the quoted market price at the reporting date.

INTERNATIONAL BAR ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

10. Debtors

	2021 £	2020 £
Trade receivables	122,415	41,353
Conference and seminar prepayments	1,798,989	2,420,367
Other prepayments	115,626	423,281
Other debtors	1,015,759	547,632
	<u>3,052,789</u>	<u>3,432,633</u>

At the year-end, the International Bar Association HRI Trust owed the Association £223,344 (2020: £35,875). EyeWitness owed the Association £259,904 (2020: £83,158). These balances are included within other debtors and are due to be repaid in 2022.

11. Creditors and accrued expenses

	2021 £	2020 £
Trade payables	11,675	480,535
Deferred Membership revenue	159,929	65,949
Other creditors	640,450	984,754
Accruals and deferred income	1,767,911	1,639,289
	<u>2,579,965</u>	<u>3,170,527</u>

12. Financial commitments, guarantees and contingent liabilities

The Association's activities include the hosting of seminars and conferences in territories around the world, operating under local tax arrangements, which included a consideration of the VAT registration criteria in each territory and account for VAT on the activities undertaken, where appropriate.

The directors are currently reviewing the position in respect of events due to be and previously held and while there is uncertainty as to whether this will result in any historical liabilities crystallising the directors acknowledge that the local legislation in each territory is open to interpretation and that the Association's position could be subject to challenge by local tax authorities.

Uncertainty exists over the tax position taken at the reporting date as it is possible that additional liabilities, which are not provided in these accounts, could become payable when this uncertainty is resolved. It is not possible to quantify at this point the value of any additional liabilities which could become payable at the conclusion of the director's review.

INTERNATIONAL BAR ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

13. Human Rights reserve fund

	2021 £	2020 £
Uncommitted reserves	546,673	320,916
Committed reserves	175,900	197,534
	<u>722,573</u>	<u>518,450</u>

The Association has recognized £175,900 of non government grant income in 2021 as per the terms of the grant requirements. There is a commitment on the Association to perform the activities in relation to the grants, at which time the related costs will be incurred. The timing of which will be in future years.

14. Reconciliation of (deficit) for the year after tax to net cash outflow from operating activities

	2021 £	2020 £
(Deficit) for the year after taxation	(1,387,639)	(1,413,133)
Depreciation/Amortisation	265,207	165,500
Bank Interest	(352)	(24,048)
Revaluation of investments	(1,260,296)	(1,484,752)
Effect of foreign exchange rates	136,029	(151,947)
Decrease/(increase) in debtors	379,844	(360,313)
Decrease in creditors	(803,119)	(1,520,100)
Net cash (outflow) from operating activities	<u>(2,670,326)</u>	<u>(4,788,793)</u>

15. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
within one year	123,780	112,013
between one and five years	30,945	-
	<u>154,725</u>	<u>112,013</u>

The lease commitment is in relation to the operating lease on the Association's head office.

INTERNATIONAL BAR ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

16. Financial instruments

The carrying values of the financial assets and liabilities are summarised by category below:

	2021 £	2020 £
Financial assets at fair value		
Measured at fair value through profit or loss		
Fixed asset listed investments (see note 9)	14,029,355	12,769,059
	<u>14,029,355</u>	<u>12,769,059</u>

17. Related party transactions

Total remuneration for key management personnel for the year amounted to £516,902 (2020: £450,587).

18. Capital Commitments

At the year end the Association had capital commitments of £nil (2020: £700,000) in relation to the ongoing development of the software intangible asset.