



Institute of
Business Ethics

Registered Charity Number: 1180741 and Company Number 11594672

**ANNUAL REPORT and FINANCIAL
STATEMENTS FOR
THE YEAR ENDED 31 December 2021**

About the Institute of Business Ethics

The Institute of Business Ethics was established in 1986, as a registered charity. It is a not-for-profit organisation funded primarily by corporate, associate and individual supporters.

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

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

IBE Purpose:

To champion the highest standards of ethical behaviour in business

Public Benefit

The Trustees refer to the Charity Commission's general guidance on public benefit when reviewing the Institute's aims and objectives and in planning our future activities. In particular, the Trustees consider how well our planned activities align with our stated charitable aims and objectives.

The IBE continues to operate as a not-for-profit organisation, ensuring that the funds we receive from our Supporters are put to best use through education, thought leadership and debate about business ethics. We are substantially dependent on our Supporters for our income and for the public benefit of our work and are enormously grateful for their continued support.

Status

The Institute of Business Ethics was founded in 1986 and registered as an unincorporated charity in December 2000. As of April 2019, the Institute of Business Ethics is a registered charity and a Company Limited by Guarantee.

Strategy

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

The strategic objectives are:

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

REPORT OF THE TRUSTEES

Message from the Chair

On behalf of the IBE board, I am pleased to share this report of the institute's work in 2021. Whenever I speak to outsiders about the IBE's work to promote the importance of doing business ethically, the response is typically some variations along the lines of "that's important! We need more of that!" We do! This is why as we start to build forward better after the pandemic and the massive dislocations of both economies and societies of the last two years, we want to persuade many more businesses to reflect on how they will create and maintain an ethical culture even as they adapt to changed patterns of work; new more hybrid forms of working; and more diverse workplaces. Based on our major *Ethics at Work* study and our separate reviews of innovations in embedding ethical behaviours and how far the Codes of Ethics of the FTSE 100 largest companies listed on the LSE during 2021 are fit for purpose, we now want boards and senior managements of businesses to do three things:

- Take the time to discuss and define the *desired* culture of their organisation in the future: how will it be different to pre-COVID19?
- Decide how the organisation will regularly measure the *actual* culture.
- Innovate in how the organisation empowers and engages all employees to behave ethically.

This could build positively on the challenges and forced innovations of the last two-plus years.

Whilst occurring since the calendar year under review, I would be very remiss if I did not note the passing of Elspeth Howe in March 2022. I had the privilege of knowing and working with her at *Business in the Community* back in the 1980s and 1990s. She was then and remained a tireless champion for equality: what we now call Diversity, Equity and Inclusion. Whilst illness and advancing years prevented her from being active in our advisory council recently, she was a loyal, long-term supporter of the IBE's work – and a determined campaigner. RIP.

At the end of 2021, our long-serving Research director Simon Webley retired after more than 20 years of dedicated service. We wish him well in his "retirement" which typically will include some volunteering for the IBE!

I would like to thank Ian Peters and all the hard working staff of IBE for their continuing commitment and creativity. Please continue to punch even more above your weight! Thank you to fellow trustees and to Sir Tim Melville-Ross and our advisory council; and above all, thank you to our corporate supporters – without you, there is no IBE. Please help us to attract more supporters so that we can have "more ethical business. More IBE!"

Professor David Grayson CBE

June 2022

Activities of the Institute of Business Ethics

The Trustees present their report and the audited financial statements for the year ended 31 December 2021.

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

Engagement with our supporters

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

Our supporters join a community of individuals and organisations committed to promoting the highest standards of business conduct based on ethical values. Our work is informed and shaped by engagement with our supporters and the insight this provides us. Our ongoing programme of engagement meetings, where the IBE's Director meets with the Ethics leaders of Supporter firms to keep up-to-date with current issues has proved successful, informative for both parties and has led to further interest and commissioned work.

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

Through our Supporter-only networks, round-tables and workshops:

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

Supporters' Forum

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

Business Ethics Network

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

IBE's work programme by informing and influencing our priorities for future discussions and research. BEN meetings were increased to monthly during 2021.

Ethics Leaders Roundtables

2021 saw the launch of a new forum for the leaders of ethics functions to exchange views on the latest developments with a strategic focus. These are small group discussions to facilitate a greater depth of exchange.

Sector Groups

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

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

Advisory Services and Training

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

In addition, advisory work is an important means of diversifying our income sources. Assignments undertaken during 2021 included a multinational aerospace and defence organisation, UK and international financial services organisations, a multinational professional services network, and a multinational oil and gas company.

Training

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

All our various training services have been adjusted to provide them on-line and where circumstances have allowed, we have undertaken face to face training with appropriate precautions. In 2021, we ran 11 training courses with 65 paid attendees.

Products

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

Say No Toolkit

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

Speak Up Toolkit

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

Business Ethics Toolkit

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

Research & Thought-leadership

Our research provides the foundation for our thought-leadership and our advisory services. We focus on topics with practical application and seek to support business through the promotion of the latest solutions and ideas. We have moved to publishing all our work on our website.

New reports during 2021 included

- ***Trends and Innovations in Effective Ethics Training***, a guide that shares examples of how organisations are innovating across how they plan, develop, deliver and measure their E&C training
- ***FTSE 100 Codes of Ethics: room for improvement***: An assessment of the Codes of Ethics of the UK's leading companies
- ***Organising for Ethics Discussion Paper***, key elements for a good ethics function
- ***Ethics at Work: 2021 International Survey of Employees***, a report covering 10,000 employees in 13 countries over four continents, that provides real insight into employees' views on ethics across all sectors and job roles

Website

Having extensively revamped and made it more user-friendly and easier to navigate in 2020. We have continued to feature **weekly blogs** where IBE staff, trustees, supporters and invited guests contribute to topical ethical debates. These blogs engender comment and debate on ethical culture and reviews of ethics-related books.

Events

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

All our events were on-line in 2021, with recordings of our webinars made available as a free resource on our website and via YouTube to further the Institute's public and geographic outreach.

During 2021 we hosted:

- 17 public webinars with an overall total of 1,091 attendees. This included a summer lecture given by Sir Jonathan Thompson, CEO, Financial Reporting Council (FRC). He discussed the relationship between purpose, culture and conduct and explored whether ethics could be regulated; what is business ethics and why were the FRC interested.
- European Business Ethics Forum (jointly with French and US partners) with 80 paid registrants
- Joint event with the Banking Standards Board with 64 board-level attendees
- Our annual Supporter Forum

Hugh Kay Annual Lecture

The Annual Hugh Kay lecture is a featured event for the IBE, as it plays to the history of the organisation and is an integral part of our events programme. In 2021, we welcomed Irene Dorner, Chair of Taylor Wimpey and Control Risks, who spoke to the title: Diversity is just a ticket to the game. The goal is inclusion. She looked particularly at what part Boards can play in creating a culture and environment, where anyone can thrive and realise their full potential.

Business Ethics in Education

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

IBE Student Essay Competition in Business Ethics

We run an annual essay competition for UK students, which celebrates the best writing and thinking by undergraduates and postgraduates on business ethics. It aims to encourage student interest in business ethics and the integration of discussions on corporate responsibility into the core curricula of business schools.

Advocacy

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

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

We made the following submissions in 2021 and supported the FRC's project on Corporate Culture and its work on Audit Culture.

- IBE response to the CSPL Standards Matter 2 consultation
- IBE response to the BEIS Restoring Trust in Audit and Corporate Governance consultation

We also support the following groups:

FRC Stakeholder Advisory Panel

Structure, Governance and Management

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

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

Board of Trustees

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

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

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

Decision-making

The Trustees reserve the following decisions to themselves:

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

The Trustees delegate the following decisions to the Director:

- Hiring of staff within the staff plan

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

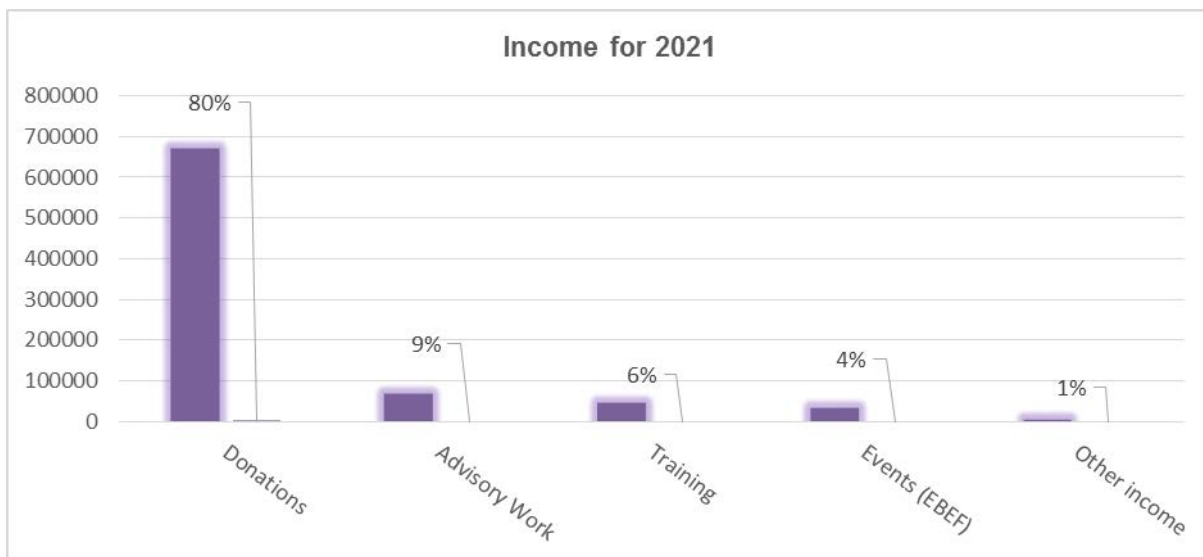
International Advisory Council

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

Funding

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

Sources of income



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

Reserves & going concern

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

The Trustees regularly review the organisation’s reserves policy and following board approval in November 2018, the following policy has been put in place based on the following principles:

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

These two provide our normal operational reserves.

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

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

On working capital, a review shows we need a minimum of some £60,000 to cover routine operations for a 3-month period. This can be expected to rise if the trend to slow payment by supporters accelerates or if the balance of our work shifts away from annual donations, for example towards advisory services paid on completion. Based on 2021 numbers, three months of fixed costs (salaries and rent) equates to £157,952.

Based on these calculations, the Board decided that for 2021 we should hold a minimum of £240,400 in reserves. The IBE met this policy during the reporting period and continues to do so. However, due to the ongoing Coronavirus pandemic, the Board and management continue to monitor closely the level of reserves alongside income and expenditure.

At 31 December 2021 total reserves were £383,996, of which unrestricted free reserves were £301,444 minus £10,076 for restricted funds.

Note 15a of the accompanying accounts explains our future plans to disburse the restricted and designated funds held in reserve.

At the time of signing, the Trustees consider the Charity to be a going concern and have prepared the accounts on this basis.

Investment policy

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

Remuneration policy

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

The Board of Trustees approve the annual percentage increase in the payroll for all staff in November, for the following salary year beginning in January, taking into account RPI as at 30 September of the current year. The Board also approves any non-consolidated pay awards and staff salary increases outside of the annual review process as recommended from time to time by the Director.

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

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

The Remuneration Committee, established in December 2020, approve any changes to staff pay levels.

Pension policy

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

Risk management

The risk register was revised and simplified in 2019, with trustees having identified 13 main residual risks. This is now reviewed at each Board meeting, with an ongoing commitment to managing those risks.

Key Risks

Management of Key Risks

<p>Failure to provide public benefit in accordance with IBE's Articles. Failure of Trustees to execute effective stewardship. Keeping to IBE's Charitable purpose . Trustee body lacks relevant skills.</p>	<p>Trustees adhere to the Charities Code. Aware & following the IBE's Articles of Association. Public Benefit is reflected in the 5 year plans, which is in line with our purpose and values. Auditors check public benefit. Stringent recruitment process in place, with a view to filling the gaps on the Board. Regular reporting to the Board to demonstrate the organisation is keeping to its charitable goals.</p>
<p>Sudden loss of key personnel including Directors. Excessive Staff Turnover</p>	<p>Succession Plan to ensure minimum disruption to business. Staff development in key aspects. Organisation chart to create a clear understanding of roles and duties. Ensure clear roles and responsibilities. Relevant staff development to be in place. Ongoing staff development to ensure key areas are covered. Updated job descriptions, roles and responsibilities. Job descriptions, roles and responsibilities to be updated. Staff development to be monitored.</p>
<p>Supporters cease financial support.</p>	<p>Maintain regular contact with all supporters, ensure relevance of activities. Maintain a wide spread of supporters in different sectors. Encourage new supporters, diversification of supporters' base. Seeking to identify new sources of funding and to diversify income streams. Monitor supporter feedback and seek to ensure that products and services are relevant to their needs. Ensure Research and Services are compelling and in-line with supporters' wants & needs. Publications to be made free for all supporters. Networking and Safe Space USP to be promoted.</p>

IBE Code of Ethics

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

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

Annual review of board effectiveness

The Chairman conducted 1:1 interviews with each trustee in November 2021, collated feedback and presented a paper to the additional January board meeting on board effectiveness which was reviewed and agreed by trustees.

Statement of Trustees' Responsibilities

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

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at Year End was 2021:10. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Trustees:

- ❖ David Grayson, CBE - Chair

- ❖ Mike Tuffrey - Treasurer
- ❖ Cristina Cortes
- ❖ Ian Dyson QPM
- ❖ Jason Engelbrecht
- ❖ Loree Gourley – Vice Chair
- ❖ Yetunde Hofmann
- ❖ Tim Langton
- ❖ Loren Shuster
- ❖ Louise Terry

International Advisory Council:

- ❖ Sir Tim Melville-Ross KBE – President
- ❖ Ian Barlow – Vice President
- ❖ Ram Gidoomal CBE – Vice President
- ❖ Simon Thompson – Vice President
- ❖ The Baroness Howe of Idlicote CBE – Honorary Vice President (Resigned November 2021)
- ❖ Sir Robert Worcester KBE DL – Honorary Vice President

Members

- ❖ Iain Anderson
- ❖ Sir Brendan Barber
- ❖ Sir Douglas Flint CBE
- ❖ Mary Francis CBE LVO (Resigned September 2021)
- ❖ Annabel Gillard
- ❖ Dr Peter Harper
- ❖ David Jackson
- ❖ Rachel Lomax
- ❖ John Williams
- ❖ Sir Mark Moody Stuart
- ❖ Chris Moorhouse
- ❖ Ruth Rawling
- ❖ Barbara Ridpath

- ❖ Robert Smith
- ❖ Professor Laura Spence
- ❖ Sir Kevin Tebbit KCB CMG
- ❖ Sir David Walker (Resigned February 2022)
- ❖ Philippa Foster Back CBE (Resigned November 2021)

Auditors

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

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

Professor David Grayson, CBE

Chair of Trustees

8 September 2022

Independent auditor's report

To the members of

Institute of Business Ethics

Opinion

We have audited the financial statements of Institute of Business Ethics (the 'charitable company') for the year ended 31 December 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Institute of Business Ethics' ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that

Independent auditor's report

To the members of

Institute of Business Ethics

there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

Independent auditor's report

To the members of

Institute of Business Ethics

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Capability of the audit in detecting irregularities

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

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Independent auditor's report

To the members of

Institute of Business Ethics

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

Use of our report

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

Joanna Pittman (Senior statutory auditor)
8 September 2022
for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Statement of financial activities (incorporating income and expenditure account)

For the year ended 31 December 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Income from:							
Donations and legacies	2	588,376	72,047	660,423	611,224	10,000	621,224
Charitable activities							
Advisory		71,050	–	71,050	117,103	–	117,103
Training		49,247	–	49,247	60,075	–	60,075
Meetings & Events		36,244	–	36,244	88,742	–	88,742
Publications & Projects		3,210	–	3,210	33,077	–	33,077
Other		4,372	–	4,372	10,345	–	10,345
Total income		752,499	72,047	824,546	920,566	10,000	930,566
Expenditure on:							
Raising funds	3a	69,215	–	69,215	84,564	–	84,564
Charitable activities							
Advisory	3a	218,953	–	218,953	251,943	–	251,943
Training	3a	89,084	–	89,084	151,643	–	151,643
Meetings & Events	3a	223,599	–	223,599	283,792	–	283,792
Publications & Projects	3a	120,186	67,625	187,811	140,227	27,361	167,588
Total expenditure		721,037	67,625	788,662	912,169	27,361	939,530
Net income / (expenditure) before net gains on investments		31,462	4,422	35,884	8,397	(17,361)	(8,964)
Net gains on investments	10	(1,143)	–	(1,143)	438	–	438
Net income / (expenditure) before other recognised gains and losses	4	30,319	4,422	34,741	8,835	(17,361)	(8,526)
Gains / (losses) on foreign exchange		(1,554)	–	(1,554)	536	–	536
Net movement in funds		28,765	4,422	33,187	9,371	(17,361)	(7,990)
Reconciliation of funds:							
Total funds brought forward		345,155	5,654	350,809	335,784	23,015	358,799
Total funds carried forward		373,920	10,076	383,996	345,155	5,654	350,809

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

Balance sheet

Company number 11594672

As at 31 December 2021

	Note	£	2021 £	£	2020 £
Fixed assets:					
Tangible assets	9		3,089		5,037
Intangible assets	9		26,078		38,891
Investments	10		29,671		30,814
			<u>58,838</u>		<u>74,742</u>
Current assets:					
Debtors	11	38,655		33,014	
Cash at bank and in hand		487,351		464,265	
		<u>526,006</u>		<u>497,279</u>	
Liabilities:					
Creditors: amounts falling due within one year	12	200,848		221,212	
			<u>325,158</u>		<u>276,067</u>
Net current assets					
			<u>383,996</u>		<u>350,809</u>
Total net assets					
The funds of the charity:					
Unrestricted income funds:					
Designated funds	15a	43,309		57,909	
General funds		330,611		287,246	
		<u>373,920</u>		<u>345,155</u>	
Total unrestricted funds					
Restricted funds	15a		10,076		5,654
			<u>383,996</u>		<u>350,809</u>
Total charity funds					

Approved by the trustees on 8 September 2022 and signed on their behalf by

Professor David Grayson CBE
Chair of the Trustees

Statement of cash flows

For the year ended 31 December 2021

	2021		2020	
	£	£	£	£
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	34,741		(8,526)	
Gains on investments	1,143		(438)	
Loss on disposal of joint venture	-		2,500	
Depreciation and amortisation	14,760		14,168	
Decrease / (Increase) in debtors	(5,641)		78,876	
(Decrease) / Increase in creditors	(20,364)		55,489	
Net cash used in operating activities		24,639		142,069
Cash flows from investing activities:				
Purchase of fixed assets	-		(11,745)	
Net cash used in investing activities		-		(11,745)
Change in cash and cash equivalents in the period		24,639		130,324
Cash and cash equivalents on transfer of funds / start of period		464,266		333,404
Change in cash and cash equivalents due to foreign exchange		(1,554)		538
Cash and cash equivalents at the end of the period		<u>487,351</u>		<u>464,266</u>
Analysis of cash and cash equivalents				
	At 1 January 2021	Cash flows	Other changes	At 31 December 2021
	£	£	£	£
Cash in hand	464,266	24,639	(1,554)	487,351
Total cash and cash equivalents	<u>464,266</u>	<u>24,639</u>	<u>(1,554)</u>	<u>487,351</u>

1 Accounting policies

a) Statutory information

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

The registered office address and principal place of business is 24 Greencoat Place, London, SW1P 1BE.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

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

c) Public benefit entity

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

d) Going concern

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

e) Income

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

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

f) Donations of gifts, services and facilities

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

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

1 Accounting policies (continued)

g) Interest receivable

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

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering advisory services, meetings, publications and other educational activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

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

i) Allocation of support and governance costs

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

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

	Staff costs	Governance	Office Support
● Cost of raising funds	4%	8%	8%
● Advisory	18%	32%	32%
● Training	8%	14%	14%
● Meetings & Events	16%	28%	28%
● Publications & Projects	10%	18%	18%
● Support costs	38%		
● Governance costs	6%		

j) Operating leases

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

k) Listed investments

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

l) Debtors

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

m) Cash at bank and in hand

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

1 Accounting policies (continued)

n) Creditors and provisions

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

The charity will not be renewing the current rental lease at the end of the lease term (31 July 2022) and the landlord will not be providing suitable ongoing accommodation after this date. The charity believes that the landlord will not issue an invoice for dilapidations, and therefore no provision for such costs have been entered into the financial statements.

o) Financial instruments

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

p) Pensions

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

q) Tangible fixed assets

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

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

r) Intangible assets

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

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

2 Income from donations and legacies

	2021	2020
	Total	Total
	£	£
Corporate subscriptions	583,211	607,858
Individual subscriptions	5,165	3,366
Ethics @ Work 21 donations – restricted fund	72,047	–
CRP (Contributed Income, Research & Publication Fund) – restricted fund	–	10,000
	660,423	621,224

All income sources listed above are unrestricted in the current period, with the exception of the Ethics @ Work 21 donations, totalling £72,047.

3a Analysis of expenditure (current period)

	Charitable activities							2021 £
	Raising funds £	Advisory £	Training £	Meetings & Events £	Publications & Projects £	Governance costs £	Support costs £	
Staff costs (Note 5)	44,722	107,923	39,416	102,408	62,286	50,741	167,929	575,425
Project/product expenditure	-	-	-	-	4,546	-	-	4,546
Marketing & hospitality	-	10,383	6,922	13,844	3,461	-	-	34,610
Ethics at Work 2021	-	-	-	-	57,635	-	-	57,635
Publications	-	-	-	-	1,027	-	-	1,027
General events	-	-	-	1,131	-	-	-	1,131
EBEF event	-	-	-	19,152	-	-	-	19,152
Other direct costs	-	1,000	-	-	(10)	5,099	-	6,089
Rent, rates & service charge	1,992	8,102	3,476	7,079	4,786	2,864	17,374	45,673
Office & IT equipment	151	613	263	535	362	217	1,313	3,454
Office costs	454	1,849	793	1,615	1,092	653	3,965	10,421
IT costs	637	2,592	1,112	2,265	1,531	916	5,558	14,611
Professional fees	316	1,287	552	1,125	760	455	2,760	7,255
Associate & Recruitment cost	-	-	-	-	-	-	-	-
Insurance	333	1,354	581	1,183	800	479	2,903	7,633
	48,605	135,103	53,115	150,337	138,276	61,424	201,802	788,662
Governance costs	4,810	19,566	8,393	17,096	11,559	(61,424)	-	-
Support costs	15,800	64,284	27,576	56,166	37,976	-	(201,802)	-
Total expenditure 2021	69,215	218,953	89,084	223,599	187,811			788,662

3b Analysis of expenditure (prior period)

	Charitable activities							2020 £
	Raising funds £	Advisory £	Training £	Meetings & Events £	Publications & Projects £	Governance costs £	Support costs £	
Staff costs (Note 5)	54,077	158,271	80,005	111,062	67,690	38,264	140,368	649,737
Project/product expenditure	-	-	9,058	-	-	-	-	9,058
Marketing & hospitality	-	6,144	9,217	12,289	3,072	-	-	30,722
Events	-	-	1,751	-	977	-	-	2,728
Publications	-	-	-	-	35,990	-	-	35,990
EBEF event	-	-	-	78,488	-	-	-	78,488
Other direct costs	-	334	(1,206)	-	-	6,233	-	5,361
Rent, rates & service charge	3,644	10,422	6,313	9,795	7,155	2,983	19,278	59,590
Office & IT equipment	337	963	583	905	661	276	1,781	5,506
Office costs	622	1,780	1,078	1,673	1,222	509	3,292	10,176
IT costs	1,035	2,959	1,792	2,781	2,031	847	5,473	16,918
Professional fees	579	1,656	1,003	1,557	1,137	474	3,064	9,470
Associate & Recruitment cost	1,105	3,162	1,915	2,972	2,171	905	5,849	18,079
Insurance	471	1,348	817	1,267	925	386	2,493	7,707
	61,870	187,039	112,326	222,789	123,031	50,877	181,598	939,530
Support costs	17,727	50,700	30,712	47,653	34,806	-	(181,598)	-
Governance costs	4,967	14,204	8,605	13,350	9,751	(50,877)	-	-
Total expenditure 2020	84,564	251,943	151,643	283,792	167,588			939,530

4 Net income for the period

This is stated after charging / crediting:

	2021 £	2020 £
Operating lease rentals:		
Property	33,480	43,959
Other	12,193	18,480
Auditor's remuneration (excluding VAT):		
Audit	6,900	6,275
Foreign exchange gains or (losses)	(1,554)	536
	<u> </u>	<u> </u>

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

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	507,135	573,312
Social security costs	50,147	58,164
Employer's contribution to defined contribution pension schemes	18,142	18,261
	<u>575,424</u>	<u>649,737</u>

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

	2021 No.	2020 No.
£70,000 – £79,999	–	1
£100,000 – £109,999	1	–
	<u> </u>	<u> </u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £144,423 (2020: £174,170).

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

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2020: £nil) incurred by 0 members (2020: 0) relating to attendance at meetings of the trustees.

6 Staff numbers

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

	2021 No.	2020 No.
Raising funds	0.6	0.9
Advisory	2.3	2.4
Training	1.0	1.5
Meetings & Events	2.0	2.3
Publications and Projects	1.4	1.7
Support	4.9	4.5
Governance	0.8	0.7
	13.0	14.0

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

	2021 No.	2020 No.
Raising funds	0.4	0.7
Advisory	1.8	2.1
Training	0.8	1.3
Meetings & Events	1.6	2.0
Publications and Projects	1.1	1.4
Support	3.9	3.9
Governance	0.6	0.6
	10.2	12.0

7 Related party transactions

There are no donations from related parties to disclose for 2021 (2020: none) which are outside the normal course of business and no restricted donations from related parties.

8 Taxation

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

9 Fixed assets	Computers £	Total £
Cost – fixed		
At the start of the period	8,121	8,121
Additions in the period	–	–
At the end of the period	<u>8,121</u>	<u>8,121</u>
Depreciation		
At the start of the period	3,084	3,084
Charge for the period	1,948	1,948
At the end of the period	<u>5,032</u>	<u>5,032</u>
Net book value		
At the end of the period	<u>3,089</u>	<u>3,089</u>
At the start of the period	<u>5,037</u>	<u>5,037</u>
Cost – intangibles	Website £	Total £
At the start of the period	51,248	51,248
Additions in the period	–	–
At the end of the period	<u>51,248</u>	<u>51,248</u>
Depreciation		
At the start of the period	12,357	12,357
Charge for the period	12,813	12,813
At the end of the period	<u>25,170</u>	<u>25,170</u>
Net book value		
At the end of the period	<u>26,078</u>	<u>26,078</u>
At the start of the period	<u>26,078</u>	<u>26,078</u>

All of the above assets are used for charitable purposes.

10 Listed investments measured through profit and loss

	2021 £	2020 £
Fair value at the start of the period	30,814	30,376
Net gain / (loss) on change in fair value	(1,143)	438
Fair value at the end of the period	<u>29,671</u>	<u>30,814</u>
Investments comprise:		
	2021 £	2020 £
UK Common investment funds	<u>29,671</u>	<u>30,814</u>
	<u>29,671</u>	<u>30,814</u>

11 Debtors

	2021 £	2020 £
Trade debtors	17,475	24,329
Other debtors	-	-
Prepayments	4,981	8,393
Accrued income	16,199	292
	<u>38,655</u>	<u>33,014</u>

12 Creditors: amounts falling due within 12 months

	2021 £	2020 £
Trade creditors	-	-
Sundry creditors	-	(5,123)
Taxation and social security	14,335	21,021
VAT	2,144	2,970
Accruals	24,376	44,340
Deferred income	159,993	158,004
	<u>200,848</u>	<u>221,212</u>

13 Deferred income

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

	2021 £	2020 £
Balance at the beginning of the period	158,003	103,733
Amount released to income in the period	(158,003)	(103,733)
Amount deferred in the period	<u>159,993</u>	<u>158,003</u>
Balance at the end of the period	<u>159,993</u>	<u>158,003</u>

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

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible and intangible fixed assets	29,167	–	–	29,167
Net current assets	301,444	43,309	10,076	354,829
Net assets at 31 December 2021	330,611	43,309	10,076	383,996

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

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	43,928	–	–	43,928
Net current assets	243,318	57,909	5,654	306,881
Net assets at 31 December 2020	287,246	57,909	5,654	350,809

15a Movements in funds (current period)

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2021 £
Restricted funds:					
Contributed Income, Research & Publication Fund	5,654	–	10	–	5,664
Ethics @ Work 2021	–	72,047	(57,635)	(10,000)	4,412
Total restricted funds	5,654	72,047	(57,625)	(10,000)	10,076
Unrestricted funds:					
Designated fund: Professionals against Corruption (PaC)	57,909	–	(1,000)	(13,600)	43,309
General funds	287,246	752,499	(732,734)	23,600	330,611
Total funds	350,809	824,546	(791,359)	–	383,996

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

15b Movements in funds (prior period)

	Transferred in on 1 April 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
Restricted funds:					
Contributed Income, Research & Publication Fund	23,015	10,000	(27,361)	-	5,654
Total restricted funds	23,015	10,000	(27,361)	-	5,654
Unrestricted funds:					
Designated fund: Professionals against Corruption (PaC)	55,693	2,500	(284)	-	57,909
General funds	280,091	919,040	(911,885)	-	287,246
Total unrestricted funds	358,799	931,540	(939,530)	-	350,809

Purposes of restricted funds

Contributed Income, Research & Publication Fund

This is a fund from a series of requested donations for the purpose of the IBE's Research and Publication work. It allowed the IBE to create more resources and freely disseminate them more widely. The monies collected so far will be spent by Q3 of 2022.

Ethics @ Work 2021 fund

This is a fund from a series of requested donations from major supporters to sponsor the research, collation of data and publication which is done every three years. These funds cover the costs of the outsourced research and publications. The surveys are conducted in a set amount of countries (usually determined by the organisation used to survey and their reach) and focused on the ethical behaviour of staff in larger companies (overall in excess of more than 10,000 employees).

The £10,000 transfer of funds from general expense to Ethics @ Work 2021 expense this year (note 15a) was due to the contribution of Research team staff resources on this fund throughout the year.

Purposes of designated funds

Professionals against corruption

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

The £13,600 transfer of funds from general expense to PAC expense this year (note 15a) was due to staff resources used to complete a requested project from one of the PAC contributors.

16 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property		Equipment	
	2021	2020	2021	2020
	£	£	£	£
Less than 1 year	53,733	78,150	-	-
1 - 5 Years	-	76,196	-	-
	53,733	154,346	-	-