



Institute of
Business Ethics

Registered Charity Number: 1180741 and Company Number 11594672

**ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR
THE YEAR ENDED 31 December 2022**

About the Institute of Business Ethics

The Institute of Business Ethics (IBE) is a company limited by guarantee; it does not have share capital and is a registered charity, established in 1986. It is a not-for-profit organisation funded primarily by corporate, associate, and individual supporters.

The directors, who are IBE Trustees and constitute the members of the Charity, present the Directors' and Trustees' Report and the audited financial Statements for the year ended 31 December 2022.

The Board of Trustees is, for company law purposes, also the Board of Directors and has ultimate responsibility for the Charity's activities. It exercises its powers through the Director.

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 Board of Trustees has due regard of the Charities Act 2011 and the Charity Commission guidance on public benefit, in particular the requirement that public benefit can no longer be presumed but must be demonstrated, with specific attention to ensuring our services benefit society to advance and champion the highest standards of ethical behavior. This aligns 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.

Strategy

In 2020 the IBE's Board of Trustees approved a 5-year strategic plan which sets the tone and foundations for a 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

Even a cursory glance at the stories in the news reminds us of just how many organisations are facing ethical lapses. From sexual harassment, discrimination, bullying and other manifestations of toxic workplace cultures; to fraud, bribery and corruption, and insider trading. We would argue that environmental disasters involving negligence or recklessness, are also examples of poor business ethics. Equally, there are no shortages of new topics for ethics practitioners in business to get to grips with, from the ethics of Artificial Intelligence, to how to do corporate advocacy ethically.

The Institute of Business Ethics has been championing ethical business behaviour for almost forty years. Arguably, the need for centres of excellence and practical insights like the IBE has never been greater than in today's globally connected, 24/7 society where everything is ultimately for the record.

On behalf of the IBE board, I am pleased to share this report of our work during 2022. Like many employers after the pandemic, the Institute had its challenges with staff turnover. Like other charities heavily dependent on corporate funding, the Cost-of-Living Crisis is impacting us. The board is pleased, however, to be able to report a welcome growth in the amount of advisory work accomplished during the year, which offset some fall off in supporters' donations.

We also raised our profile further, with a number of timely reports like *Attitudes of the British Public to Business Ethics 2022* and "Ethics: the missing E in ESG investing?" The latter was the result of a substantial piece of pro-bono work by Annabel Gillard, of our International Advisory Council. We are enormously grateful for Annabel's leadership of our "Ethics and ESG" work, which is continuing. We also completed our Good Practice Guide on *Measuring Ethical Culture*, which was published in January 2023. This was the result of intensive work by former staff colleagues Guen Dondé and Mark Chambers and finalised by Rachael Saunders and Chris Cowton.

Research and thought leadership are what guides our work, and improved engagement has fueled the increase in requests for our advisory services. The results of which not only aids and guides our supporters in ethical behaviour, but also enables us to generate more income, allowing us to do more. We aim to intensify this "virtuous circle" and further diversify our sources of funding. In 2023, we will be producing "Principles" for the effective running of a specialist Ethics function and in particular, how company boards can ensure effective oversight of ethical culture and behaviours.

As more and more business leaders recognise that businesses have a critical role in finding profitable solutions to the problems of people and planet and not to profit from causing harm; and as younger employees, in particular, want to work for employers with whose values they can empathise and whose purpose they can relate to, the opportunities for promoting ethical business behaviour have never been greater. During 2023, we want to tap into the insights and ideas of future business leaders, with a "Next Generation" project on how younger people think of business ethics and what goes into making ethical business behaviours. As a small organisation with limited resources, the Institute needs to become ever smarter at building alliances and collaborating with like-minded networks, to get our core messages across to many more businesspeople both in the UK and internationally.

Just what are our core messages? Our fundamental belief is that ultimately, it is the responsibility of boards and senior management teams to set the tone: how they want employees to treat their co-workers, customers, suppliers, competitors, and neighbours. This is best expressed in a Code of Ethics, which must be regularly reviewed and updated. Codes alone, however, can be a false insurance. They have to be brought to life, through ongoing socialisation. New employees need to be inducted in corporate values and how they are expected to behave. Leaders at all levels need to "walk the talk" and regularly talk about desired behaviours and dealing with ethical dilemmas. Having a simple tool for taking ethical decisions can help – as long as employees know about this and understand how to use it.

Ethical behaviour should be at the heart of the desired and the actual culture of a business – whatever the size of that business. Crucially, they need to reinforce and be reinforced by corporate purpose and values.

If these messages resonate, please join with the Institute of Business Ethics in promoting them more widely.

My thanks, as ever, to the small, but very hard-working and dedicated staff team and to fellow trustees and our other volunteers – and, above all to our supporters – without you, the IBE would not exist!

David Grayson CBE
July 2023

Activities of the Institute of Business Ethics

The Board of Trustees present their report and the audited financial statements for the year ended 31 December 2022.

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 has proved successful and informative for both the IBE and its supporters 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, roundtables, 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 take place on a monthly basis.

Ethics Leaders Roundtables

Since its inception in 2021, the ethics leaders roundtable meetings have had significant impact on the work of the IBE. Specific to the leaders of ethics functions to exchange views on the latest developments with a strategic focus, these small group discussions 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.

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 2022 included a multinational automobile organisation, international auditors, 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 online and face-to-face training where circumstances have allowed.

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, which includes Attitudes of the British Public to Business Ethics, published in January and June, Business Ethics in the news 2022 and Ethics: the missing E in ESG investing?

Website

Having extensively revamped and made it more user-friendly and easier to navigate, 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 online, 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 2022 we hosted:

- 12 public webinars with an overall total of 656 attendees.
- European Business Ethics Forum (jointly with French and US partners) with 85 paid registrants
- Our summer event at Asia House with over 50 attendees at our first face to face event since lockdown.
- Our annual Supporter Forum

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.

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 also support the following groups:

- FRC Stakeholder Insight Group
- CISI Integrity Committee

- UCL Ethics & Law Advisory Committee
- PRCA Ethics Council

We also contributed to the Anthropy initiative which resulted in a major conference at the Eden Project in November 2022.

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 Board of 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 and meet at least quarterly.

Trustee vacancies are advertised when there is a particular skills gap and when a term of office comes to an end within the overall membership of the Board of Trustees. 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:

- Setting the strategy for the Charity.
- Approval of capital expenditure items of £10,000 or more
- 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
- All Director level appointments
- Approval of the IBE's code of ethics
- Appointments of Trustees and Advisory Council members
- Approval of the Annual Report and Accounts
- Approval of reserves and investment policies
- Appointment of the Auditor

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.

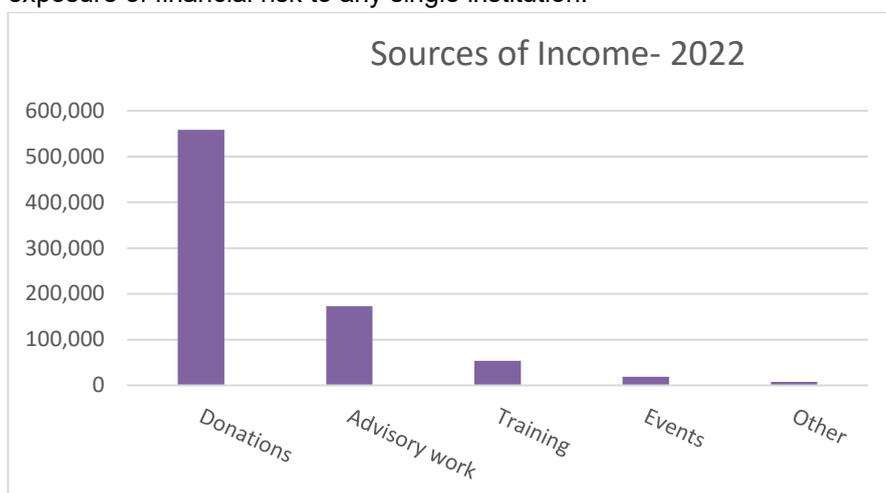
Change to charitable Activities for 2022

In 2022, a new structure for allocating costs was adopted, with more focus on identifying activities undertaken by the charity.

- Expenditure on charitable activities includes the costs of delivering advisory services, undertaking research, and providing training courses and events on ethical matters. Charitable activities also include outreach to supporters and users via engagement, publications, and meetings
- The Admin & IT and other costs represents those items not falling into any other heading

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, 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, signaling 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 2022 numbers, three months of fixed costs (salaries and essentials) equates to £146,004.

Based on these calculations, the Board decided that for 2022 we should hold a minimum of £300,000 in reserves. The IBE met this policy during the reporting period and continues to do so. However, the Board and management continue to monitor closely the level of reserves alongside income and expenditure.

As of 31 December 2022, total reserves were £489,043, of which unrestricted free reserves were £453,503. Note 15b of the accompanying accounts explains our future plans to disburse the restricted and designated funds held in reserve.

In reviewing our business and financial plans for the coming year, the trustees took account of possible outcomes should our supporter renewal rates decline, and the flexibility we have within our cost budget to offset any income shortfall.

In July 2023 trustees discussed the specific areas around our viability as a going concern, considering the Future Funding paper, and any anticipated risk to our operations. The trustees believe the charity will have sufficient resources to meet its liabilities as they fall due. As such, they remain satisfied that the charity can continue operating for the foreseeable future and these accounts have been prepared on a going concern basis.

Investment policy

Investments are stated at market value. The Trustees consider 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.

Following recommendations from the Remuneration Committee (established in 2020), 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, considering RPI as of 30 September of the current year. This also includes 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 relevant organization's, 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.

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, with the Director and executive team having identified 8 areas of risk. This was endorsed by the Board and is now reviewed at each Board meeting, with an ongoing commitment to managing those risks.

<u>Governance</u>	Failure to govern the institute in accordance with its objectives and external regulatory requirements
<u>People</u>	Failure to ensure right skills and resources to deliver objectives
<u>Relevance</u>	Failure to maintain relevance to business leading to loss of support and income
<u>Profile</u>	Failure to maintain profile and promote the IBE
<u>Finance</u>	Failure to maintain effective financial controls leads to financial loss
<u>Compliance</u>	Failure to comply with all legal and regulatory obligations
<u>IT</u>	Failure to maintain / upgrade IT systems and security
<u>External</u>	Failure to anticipate crisis

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, next review scheduled for 2024.

Our values: We are

Respectful – we respect the diversity of thought and perspectives offered by others. We are inclusive and treat others as they would want to be treated (consistent with ethical values).

Collaborative – we work as one team, empowering and supporting each other to achieve high quality results.

Trustworthy – we act with integrity, building strong relationships based on openness and honesty.

Courageous – we stand up for what's right, take managed risks and learn from experience when things go wrong.

Entrepreneurial – we are dynamic and innovative, seeking to achieve high performance, impact and growth to further the IBE's purpose.

Customer Focused – we treat our customers as partners and look to create powerful relationships based on professionalism, relevance, and subject-matter expertise.

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 conducts 1:1 interviews with each trustee at the end of the year, collated feedback and a paper is presented to the first board meeting of the following year.

Statement of Trustees' Responsibilities

The board of 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 2022=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. The trustees who served during the year, and their pattern of attendance at board meetings, are shown in the table below.

Trustee	19 Jan- additional meeting	29-Mar	29-Jul	29-Sep	7-Dec
David Grayson (Chair)	✓	✓	✓	✓	✓
Mike Tuffrey (Treasurer)	✓	✓	✓	✓	✓
Loree Gourley (Vice-Chair)	✓	x	x	✓	x
Ian Dyson	✓	✓	x	✓	✓
Cristina Cortes	✓	✓	x	x	✓
Loren Shuster	✓	✓	✓	✓	✓
Yetunde Hofmann	x	✓	✓	x	✓
Tim Langton	x	✓	✓	✓	x
Louise Terry	✓	✓	✓	✓	✓
Jason Engelbrecht	✓	✓	x	✓	✓

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
- ❖ Sir Robert Worcester KBE DL – Honorary Vice President
- ❖ Iain Anderson
- ❖ Sir Brendan Barber
- ❖ Sir Douglas Flint CBE
- ❖ 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

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 on 5 July 2023 and signed on their behalf by



David Grayson, CBE
Chair of Trustees

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 2022 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 2022 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.

Independent auditor's report

To the members of

Institute of Business Ethics

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Independent auditor's report

To the members of

Institute of Business Ethics

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Capability of the audit in detecting irregularities

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

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud.
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity 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.

Independent auditor's report

To the members of

Institute of Business Ethics

- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

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

Use of our report

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



Joanna Pittman (Senior statutory auditor)
14 July 2023
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 2022

	Note	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Income from:							
Donations and legacies	2	558,568	-	558,568	588,376	72,047	660,423
Charitable activities							
Advisory services		173,063	-	173,063	71,050	-	71,050
Training & Events		89,347	-	89,347	85,491	-	85,491
Marketing, Comms & Publs		1,260	-	1,260	3,210	-	3,210
Other		6,507	-	6,507	4,372	-	4,372
Total income		828,745	-	828,745	752,499	72,047	824,546
Expenditure on:							
Raising funds	3a	84,272	-	84,272	72,253	-	72,253
Charitable activities							
Advisory services	3a	161,698	-	161,698	164,527	-	164,527
Research	3a	80,393	-	80,393	73,128	-	73,128
Training & Events	3a	96,953	-	96,953	124,818	-	124,818
Marketing, Comms & Publs	3a	189,309	1,009	190,318	156,476	67,625	224,101
Supporter Engagement	3a	107,842	-	107,842	129,834	-	129,834
Total expenditure		720,467	1,009	721,476	721,036	67,625	788,661
Net income / (expenditure) before net gains on investments		108,278	(1,009)	107,269	31,463	4,422	35,885
Net gains on investments	10	(3,149)	-	(3,149)	(1,143)	-	(1,143)
Net income / (expenditure) before other recognised gains and losses	4	105,129	(1,009)	104,120	30,320	4,422	34,742
Gains / (losses) on foreign exchange		926	-	926	(1,554)	-	(1,554)
Net movement in funds		106,055	(1,009)	105,046	28,766	4,422	33,188
Reconciliation of funds:							
Total funds brought forward		373,921	10,076	383,997	345,155	5,654	350,809
Total funds carried forward		479,976	9,067	489,043	373,921	10,076	383,997

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. There has been a change in the charitable activities in this year which is reflected in this year's figures and the previous year's accounts.

Balance sheet

Company number 11594672

As at 31 December 2022

	Note	£	2022 £	£	2021 £
Fixed assets:					
Tangible assets	9		7,810		3,089
Intangible assets	9		13,267		26,078
Investments	10		26,522		29,671
			<u>47,599</u>		<u>58,838</u>
Current assets:					
Debtors	11	13,135		38,655	
Cash at bank and in hand		599,547		487,351	
		<u>612,682</u>		<u>526,006</u>	
Liabilities:					
Creditors: amounts falling due within one year	12	171,238		200,848	
			<u>441,444</u>		<u>325,158</u>
Net current assets					
			<u>489,043</u>		<u>383,996</u>
The funds of the charity:					
Unrestricted income funds:					
Designated funds	15a	26,473		43,309	
General funds		453,503		330,611	
		<u>479,976</u>		<u>373,920</u>	
Total unrestricted funds			479,976		373,920
Restricted funds	15a		9,067		10,076
			<u>489,043</u>		<u>383,996</u>
Total charity funds					
			<u>489,043</u>		<u>383,996</u>

Approved by the trustees on 5 July 2023 and signed on their behalf by



David Grayson, CBE

Chair

Statement of cash flows

For the year ended 31 December 2022

	2022		2021	
	£	£	£	£
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	104,120		34,741	
Loss on investments	3,149		1,143	
Depreciation and amortisation	14,890		14,760	
Decrease / (Increase) in debtors	25,520		(5,641)	
(Decrease) / Increase in creditors	(29,610)		(20,364)	
	<u>118,069</u>		<u>24,639</u>	
Net cash used in operating activities		118,069		24,639
Cash flows from investing activities:				
Purchase of fixed assets	(6,799)		-	
	<u>(6,799)</u>		<u>-</u>	
Net cash used in investing activities		(6,799)		-
Change in cash and cash equivalents in the period		111,270		24,639
Cash and cash equivalents on transfer of funds / start of period		487,351		464,266
Change in cash and cash equivalents due to foreign exchange		926		(1,554)
		<u>599,547</u>		<u>487,351</u>
Cash and cash equivalents at the end of the period		<u>599,547</u>		<u>487,351</u>
Analysis of cash and cash equivalents				
	At 1 January 2022	Cash flows	Other changes	At 31 December 2022
	£	£	£	£
Cash in hand	487,351	111,270	926	599,547
Total cash and cash equivalents	<u>487,351</u>	<u>111,270</u>	<u>926</u>	<u>599,547</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.

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

In 2022, a new structure for allocating costs was adopted, with more focus on identifying activities undertaken by the charity:

- 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, undertaking research and providing training courses and events on ethical matters. Charitable activities also include outreach to supporters and users via engagement, publications and meetings
- The Admin & IT and other costs represents those items not falling into any other heading

Irrecoverable VAT is charged to the accounts in the same proportion as staff costs. In the 2022 accounts, the charge back to accounts was made using the 2021 staff costs profile.

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	Office support
<input type="checkbox"/> Cost of raising funds	9%	13%
<input type="checkbox"/> Advisory Services	16%	23%
<input type="checkbox"/> Research	9%	13%
<input type="checkbox"/> Training & Events	9%	13%
<input type="checkbox"/> Marketing, Webs & Publications	15%	22%
<input type="checkbox"/> Supporter engagement	11%	16%
<input type="checkbox"/> Admin, IT and other support costs	31%	

j) 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.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease. The rental lease ended on 31 July 2022, and IBE staff now work remotely.

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.

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.

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

	2022	2021
	Total	Total
	£	£
Corporate subscriptions	556,518	583,211
Individual subscriptions	2,050	5,165
Ethics @ Work 21 donations - restricted fund	-	72,047
	558,568	660,423

Institute of Business Ethics

Notes to the financial statements

For the year ended 31 December 2022

3a Analysis of expenditure (current period)

	Charitable activities							2022 £
	Cost of raising funds	Advisory Services £	Research £	Training & Events £	Marketing, Comms & Publications £	Supporter Engagement & Recruitment £	Admin, IT, Governance, Support costs £	
Staff costs (Note 5)	50,074	100,733	44,011	35,572	73,933	61,828	148,473	514,624
Other staff costs	-	-	-	-	960	-	-	960
Direct expense	-	168	2,183	7,868	57,419	2,430	-	70,068
Events - EBEF	-	-	-	19,315	-	-	-	19,315
PaC expense	-	-	-	-	-	1,786	-	1,786
Ethics at Work 2021	-	-	-	-	1,009	-	-	1,009
Office & IT support costs	8,092	14,387	8,093	8,092	13,487	9,890	27,874	89,915
Professional fees & insurance	2,142	3,808	2,142	2,142	3,570	2,618	7,377	23,799
	60,308	119,096	56,429	72,989	150,378	78,552	183,724	721,476
Admin, IT and office support	23,964	42,602	23,964	23,964	39,940	29,290	(183,724)	-
Total expenditure 2022	84,272	161,698	80,393	96,953	190,318	107,842	-	721,476

Institute of Business Ethics

Notes to the financial statements

For the year ended 31 December 2022

3b REVISED Analysis of expenditure (prior period)

	Charitable activities							2021 £
	Cost of raising funds	Advisory Services £	Research £	Training & Events £	Marketing, Comms & Publications £	Supporter Engagement & Recruitment £	Admin, IT, Governance, Support costs £	
Staff costs (Note 5)	46,653	100,054	45,272	58,077	78,763	83,802	162,804	575,424
Direct expense	-	-	2,255	1,131	36,502	1,417	-	41,305
EBEF event	-	-	-	19,152	-	-	-	19,152
Ethics at Work 2021	-	-	-	-	57,635	-	-	57,635
PaC expense	-	-	-	-	-	1,000	-	1,000
Office & IT support costs	5,191	13,348	5,191	9,641	10,382	8,899	21,506	74,159
Professional fees & insurance	1,399	3,598	1,399	2,598	2,798	2,398	5,796	19,986
	53,243	117,000	54,117	90,599	186,080	97,516	190,106	788,661
Admin, IT and office support	19,010	47,527	19,011	34,219	38,021	32,318	(190,106)	-
Total expenditure 2021	72,253	164,527	73,128	124,818	224,101	129,834	-	788,661

There has been a change in the charitable activities in 2022 and this requires a re-statement of the 2021 accounts.

4 Net income for the period

This is stated after charging / crediting:

	2022	2021
	£	£
Operating lease rentals:		
Property	25,715	33,480
Other	11,553	12,193
Auditor's remuneration (excluding VAT):		
Audit	7,200	6,900
Foreign exchange gains or (losses)	926	(1,554)
	=====	=====

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

Staff costs were as follows:

	2022	2021
	£	£
Salaries and wages	449,723	507,135
Social security costs	47,450	50,147
Employer's contribution to defined contribution pension schemes	17,451	18,142
	=====	=====
	514,624	575,424

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

	2022	2021
	No.	No.
£70,000 - £79,999	1	-
£100,000 - £109,999	1	1
	=====	=====

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £237,131 (2021: £197,445).

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 (2021: £nil) incurred by 0 members (2021: 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:

	2022	2021
	No.	No.
Raising funds	0.9	0.9
Advisory Services	1.6	2.3
Training & Events	0.9	0.9
Research	0.8	1.7
Marketing/Comms & Publs	1.5	1.9
Supporter Engagement	1.1	1.6
Admin, IT & support	3.0	3.7
	9.8	13.0

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

	2022	2021
	No.	No.
Raising funds	0.7	0.7
Advisory Services	1.3	1.8
Training & Events	0.7	0.7
Research	0.7	1.3
Marketing/Comms & Publs	1.3	1.5
Supporter Engagement	0.9	1.2
Admin, IT & support	2.7	3.0
	8.3	10.2

7 Related party transactions

There are no donations from related parties to disclose for 2022 (2021: 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	6,799	6,799
At the end of the period	<u>14,920</u>	<u>14,920</u>
Depreciation		
At the start of the period	5,032	5,032
Charge for the period	2,078	2,078
At the end of the period	<u>7,110</u>	<u>7,110</u>
Net book value		
At the end of the period	<u>7,810</u>	<u>7,810</u>
At the start of the period	<u>3,089</u>	<u>3,089</u>
Cost - intangibles	Website £	Total £
At the start of the period	51,248	51,248
At the end of the period	<u>51,248</u>	<u>51,248</u>
Depreciation		
At the start of the period	25,169	25,169
Charge for the period	12,812	12,812
At the end of the period	<u>37,981</u>	<u>37,981</u>
Net book value		
At the end of the period	<u>13,267</u>	<u>13,267</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

	2022 £	2021 £
Fair value at the start of the period	29,671	30,814
Net gain / (loss) on change in fair value	(3,149)	(1,143)
Fair value at the end of the period	<u>26,522</u>	<u>29,671</u>

Investments comprise:

	2022 £	2021 £
UK Common investment funds	26,522	29,671
	<u>26,522</u>	<u>29,671</u>

11 Debtors

	2022 £	2021 £
Trade debtors	6,616	17,475
Other debtors	161	-
Prepayments	6,296	4,981
Accrued income	62	16,199
	<u>13,135</u>	<u>38,655</u>

12 Creditors: amounts falling due within 12 months

	2022 £	2021 £
Sundry creditors	460	-
Taxation and social security	15,773	14,335
VAT	9,291	2,144
Accruals	29,411	24,376
Deferred income	116,303	159,993
	<u>171,238</u>	<u>200,848</u>

13 Deferred income

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

	2022 £	2021 £
Balance at the beginning of the period	159,993	158,003
Amount released to income in the period	(159,993)	(158,003)
Amount deferred in the period	116,303	159,993
Balance at the end of the period	<u>116,303</u>	<u>159,993</u>

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

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible and intangible fixed assets	21,077	-	-	21,077
Net current assets	432,426	26,473	9,067	467,966
Net assets at 31 December 2022	453,503	26,473	9,067	489,043

14b Analysis of net assets between funds (prior 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

15a Movements in funds (current period)

	At 1 January 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 December 2022 £
Restricted funds:					
Contributed Income, Research & Publication Fund	5,664	-	-	-	5,664
Ethics @ Work 2021	4,412	-	(1,009)	-	3,403
Total restricted funds	10,076	-	(1,009)	-	9,067
Unrestricted funds:					
Designated fund: Professionals against Corruption (PaC)	43,309	-	(1,786)	(15,050)	26,473
General funds	330,612	828,745	(720,904)	15,050	453,503
Total funds	383,997	828,745	(723,699)	-	489,043

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

15b Movements in funds (prior 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 unrestricted funds	350,809	824,546	(791,359)	-	383,996

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 the end of 2023.

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).

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 £15,050 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. There are no property or equipment commitments outstanding at the end of 2022.

	Property		Equipment	
	2022	2021	2022	2021
	£	£	£	£
Less than 1 year	-	53,733	-	-
	-	53,733	-	-