



**Institute of
Business Ethics**

Registered Charity Number: 1180741 and Company Number 11594672

**ANNUAL REPORT and FINANCIAL
STATEMENTS FOR
THE YEAR ENDED 31 December 2020**



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 implementation plan, which set the tone and foundations for a bold new strategy, establishing a base for the future growth by reinvigorating our message and our approach for the Institute. Redefining our objectives, setting new targets and developing our programme to meet the new challenges that lay ahead.

The key elements of this strategy were to:

- Build our profile and enhance our 'go to' brand

- Engage more supporters, diversify our supporter base, and augment our services to our supporters

- Expand our training and the scope of our webinars

- Initiate new thought-leadership, and seek to more effectively engage our supporters 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 Chairman

On March 10th 2020, I spent a day with our then Director-designate Ian Peters, planning how we would work together and refresh the IBE strategy. The next day, I had a regular catch-up with the outgoing Director Philippa Foster Back, followed by the quarterly board meeting in Greencoat Place. Little did I imagine that for the rest of 2020, the IBE – like so many other organisations – would be working entirely online.

In practice, this meant that most of Ian's induction was virtual; that the majority of IBE board members have only experienced one IBE board "in person;" that our small, hardworking team have been working from home now for over a year; and we have done our Strategy update, delivered advisory services for clients, engagement meetings and all our events remotely.

I want to say a huge thank-you to the IBE staff team, fellow trustees, International Advisory Council members, supporters, event speakers, publications' authors and project partners for adapting so fast and so positively. As a result, we have run a full programme of IBE activities during 2020. Indeed, as a result of the lockdowns and the necessity of operating remotely, we have been able to involve many more people in our activities. Necessity, Mother, Invention come to mind!

Now, in early summer 2021, as we experience the gradual lifting of restrictions, we will consider very carefully which of the 2020 innovations that COVID19 forced on us, that we will want to keep. Certainly, our webinar series and more flexible ways of working. As we emerge from the immediate health crisis, we inevitably face new economic and other challenges. Agility will be crucial for all of us, married to the resilience that the pandemic has taught us.

What is already abundantly clear is that doing business ethically will be essential to building forward better.

The IBE intends to make our voice heard as the world plots the post COVID19 future and aspires to Build Back Better.

Professor David Grayson CBE

June 2021

Impacts of Coronavirus (Covid-19)

The COVID-19 pandemic developed rapidly in 2020 and measures taken by government to contain the virus had a significant effect on economic activity. The IBE took a number of actions to monitor and mitigate the effects of COVID-19, such as health and safety measures for our people (i.e. social distancing and working from home) and securing the provision of equipment that is essential to continue our work.

The impact on supporter donations was expected and in mitigation, we sought to reduce costs wherever possible with close monitoring of the situation. In particular, we are grateful to our landlords the Initiatives of Change for rent reductions whilst we have been unable to occupy our premises.

All of our activities, including training, seminars, and lectures and networking events, were successfully moved online allowing our Supporters and other participants to continue to benefit from our work.

We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our staff and stakeholders.

Further contingency plans are in place, should they be necessary, in order to meet our duty to maintain the viability of the charity.

Activities of the Institute of Business Ethics

The Trustees present their report and the audited financial statements for the year ended 31 December 2020.

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 are the only ones who can enjoy the significant advantages that come from participation in our unique Supporter networks.

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 confront.

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 high 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. In 2020 we established a 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.

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.

Supporters' Forum

In 2020 we launched the Supporters' Forum as an opportunity for IBE supporters to meet once a year to hear about the IBE's work and provide input to our plans for the forthcoming year. This annual meeting will be 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. We had a well-attended inaugural forum in October 2020 led by the IBE Director and Chairman.

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.

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 (DPG), the Utilities Sector (USG) and Academic Institutions (AcaBEN). These groups are for those responsible for ethics within their organisation to meet and explore specific ethical challenges, 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

As an independent not-for-profit organisation, our unique and pragmatic perspective allows us to work with organisations as a critical friend. We offer advisory services as part of our range of activities as 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 2020 included for a global luxury goods business, both UK and international financial services organisations, an industrial defense contractor, and an international health organisation

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.

Due to the pandemic, to continue our various training services we have adjusted to provide them on-line.

Products

We provide a range of practical and easy to use toolkits and an international benchmarking resource. Both of which, can be customised to the needs of the individual organisation. These include:

Say No Toolkit

The IBE's Say No Toolkit is 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, if offered a facilitation payment, or when faced with a conflict of interest. The UK Department for International Trade cites the IBE Say No Toolkit as a source which companies can use for training in anti-corruption and dealing with difficult situations.

Speak Up Toolkit

The Speak Up Toolkit 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 was launched at the end of 2020. It is intended to guide you in your role as a business owner, chief executive or manager seeking to make your ethical values explicit, and to protect your 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 & Publications

As well as providing an educational resource, our research and survey work also contributes to the writing of reports and publications, and in supporting those with business ethics needs. Our publications include Board Briefings, Good Practice Guides, Surveys, Reports and Briefings, all of which are available via our website. Many are free to download and others are available to purchase. New publications during 2020 included Section 172, a Board Briefing to help companies benefit from the new reporting obligation, and to encourage them to go beyond legal requirements, Embedding Business Ethics: 2020 report on corporate ethics policies and programmes, a report on the Ethics of Diversity in the boardroom (December 2020) and an Anti-Bribery and Anti-Money Laundering Bibliography (Jan. 2020).

Website

The IBE website was extensively revamped and made more user-friendly and easier to navigate. The renewed website was launched in January 2020. Amongst the new features are a weekly blog where

IBE staff, trustees, supporters and invited guests can contribute to topical ethical debates. These included during 2020 a series on "Pandemic and Beyond: the ethical issues;" several pandemic-related ethical dilemmas; blogs 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.

Due to the pandemic, and to increase the accessibility of our events, we have adjusted to provide them on-line. Recordings of our webinars are available as a free resource on our website and via YouTube to further the Institute's public and geographic outreach. During 2020 we hosted 28 events, of which 9 were webinars open to supporters and the public.

Hugh Kay Annual Lecture

Hugh Kay was a distinguished journalist and broadcaster and played an integral role in the founding of the IBE as part of CABE (Christian Association of Business Executives). When CABE was wound up in 2018, the IBE took over the hosting of this annual lecture series which began in 1990.

Each year we invite an eminent speaker to talk about how they and their organisation's values influence their business life and provide insights for the future. In 2020, we were delighted to welcome Lord Evans of Weardale, Chair of the Committee on Standards in Public Life, who discussed whether we really are in a Post-Nolan world, and made the case for the value of public standards and business ethics, in these extraordinary times. The contents of the lecture attracted considerable media coverage.

Business Ethics in Education

A core part of IBE's mission is the education of the next generation of business leaders in 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.

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 Chairman.

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 Chairman 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 Chairman 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.

Change in Director

As of 1 May 2020, Dr Ian Peters, MBE became the Director of the IBE.

With over 30 years of experience of professional associations, Ian brings with him significant expertise and an excellent reputation for relationship building, high performance and team leadership.

Ian joins the IBE from the Chartered Institute of Internal Auditors (IIA), where he served as chief executive from 2009 and where he led the significant expansion in the work and impact of the IIA. He was previously director of external affairs at the Engineering Employers Federation (EEF) and prior to that deputy director general of the British Chambers of Commerce. He also spent five years as a deputy director at the CBI where he was head of the SME unit.

We are immensely grateful to Philippa Foster Back, CBE for her 20 years of incredible service and thank her for her drive, hard work, perseverance, and support. We are delighted she has joined our International Advisory Council.

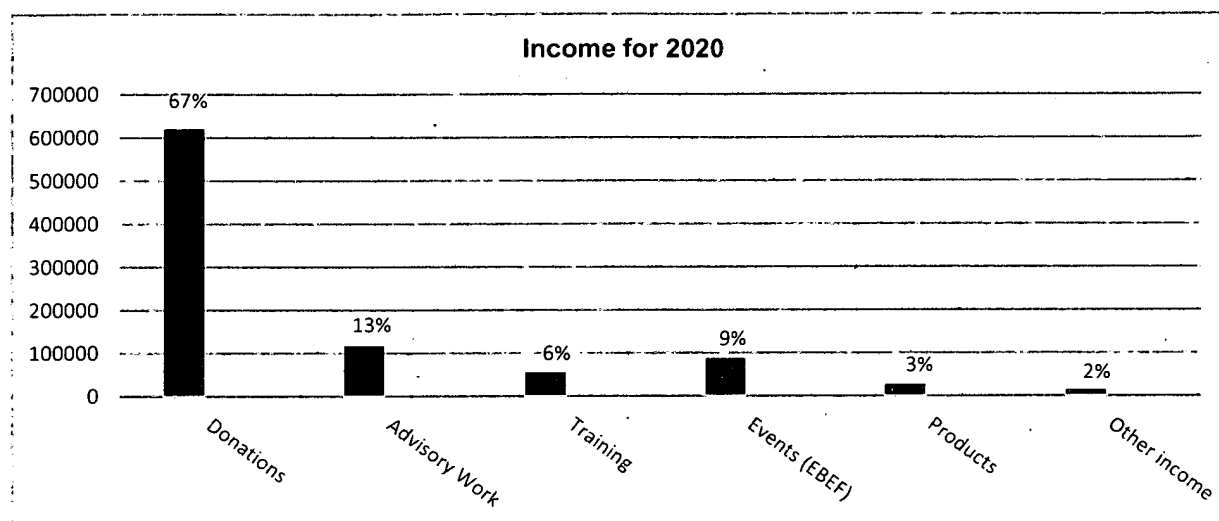
International Advisory Council

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. In 2019 the Council was renamed the International Advisory Council, with revised Terms of Reference, reflecting the wider geographic scope of the IBE.

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 three principles:

The first is to provide adequate working capital to cover the usual cash flow variability. Second is 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. Thirdly, 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 subscriptions, for example towards advisory services paid on completion. Based on 2020 numbers, three months of fixed costs (salaries and rent) equates to £180,400.

Based on these calculations, the Board decided that for 2020 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 fall-out from the Coronavirus pandemic the Board and management are continuing to monitor closely the level of reserves alongside income and expenditure.

At 31 December 2020 total reserves were £287,246, of which unrestricted free reserves were £243,318.

Note 15 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.

As of December 2020, the Board have established a Remuneration Committee, who will 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.

IBE CODE

The IBE has a Code of Ethics for all staff and Trustees, which is published on the website. It is to be 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 2020, collated feedback and presented a paper to the December board meeting on board effectiveness which was reviewed and agreed by trustees.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Trustees:

- ❖ David Grayson, CBE - Chair
- ❖ Mike Tuffrey - Treasurer
- ❖ Tom Beardmore-Gray (Retired Sept 2020)
- ❖ Jonathon Bond (Resigned Sept 2020)
- ❖ Cristina Cortes
- ❖ Ian Dyson QPM
- ❖ Jason Engelbrecht
- ❖ Loree Gourley
- ❖ Yetunde Hofmann
- ❖ Tim Langton
- ❖ Loren Shuster
- ❖ Louise Terry

International Advisory Council:

- ❖ Sir Tim Melville-Ross KBE – President
- ❖ Ian Barlow – Vice President
- ❖ Ram Gidoomal – Vice President
- ❖ Simon Thompson – Vice President
- ❖ Lord Green of Hurstpierpoint – Honorary Vice President (Resigned December 2020)
- ❖ The Baroness Howe of Idlicote CBE – Honorary Vice President
- ❖ Sir Robert Worcester KBE DL – Honorary Vice President

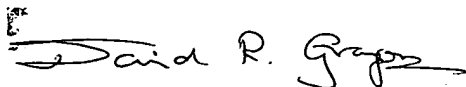
Members

- ❖ Iain Anderson
- ❖ Sir Brendan Barber
- ❖ Sir Douglas Flint CBE
- ❖ Mary Francis CBE LVO
- ❖ Annabel Gillard
- ❖ Dr Peter Harper
- ❖ David Jackson
- ❖ Rachel Lomax
- ❖ John Williams
- ❖ Sir Mark Moody Stuart
- ❖ Chris Moorhouse
- ❖ Sir Richard Oliver FREng (Retired July 2020)
- ❖ Ruth Rawling
- ❖ Barbara Ridpath
- ❖ Robert Smith
- ❖ Professor Laura Spence
- ❖ Sir Kevin Tebbit KCB CMG
- ❖ Sir David Walker

Auditors

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

The trustees' annual report has been approved by the trustees and signed on their behalf by



Dr Ian Peters, MBE
Director
29 June 2021

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 2020 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 2020 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 there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report

To the members of

Institute of Business Ethics

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 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:

Independent auditor's report

To the members of

Institute of Business Ethics

- 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.

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.

Judith Miller (Senior statutory auditor)
2 August 2021
for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Institute of Business Ethics

Statement of financial activities

For the year ended 31 December 2020

				12 months to 31 Dec 2020 Total £	Unrestricted £	Restricted £	15 months to 31 Dec 2019 Total £
	Note	Unrestricted £	Restricted £				
Income from:							
Donations and legacies	2	611,224	10,000	621,224	485,575	37,000	522,575
Charitable activities							
Advisory		117,103	-	117,103	51,512	-	51,512
Training		60,075	-	60,075	35,337	-	35,337
Meetings & Events		88,742	-	88,742	876	-	876
Publications & Projects		33,077	-	33,077	11,223	-	11,223
Transfer of funds	1b	-	-	-	380,308	-	380,308
Other		10,345	-	10,345	3,392	-	3,392
Total income		920,566	10,000	930,566	968,223	37,000	1,005,223
Expenditure on:							
Raising funds	3	84,564	-	84,564	57,708	-	57,708
Charitable activities							
Advisory	3	251,943	-	251,943	178,335	-	178,335
Training	3	151,643	-	151,643	125,153	-	125,153
Meetings & Events	3	283,792	-	283,792	136,333	-	136,333
Publications & Projects	3	140,227	27,361	167,588	134,299	13,985	148,284
Total expenditure		912,169	27,361	939,530	631,828	13,985	645,813
Net income / (expenditure) before net gains on investments		8,397	(17,361)	(8,964)	336,395	23,015	359,410
Net gains on investments	10	438	-	438	176	-	176
Net income / (expenditure) before other recognised gains and losses	4	8,835	(17,361)	(8,526)	336,571	23,015	359,586
Gains / (losses) on foreign exchange		536	-	536	(787)	-	(787)
Net movement in funds		9,371	(17,361)	(7,990)	335,784	23,015	358,799
Reconciliation of funds:							
Total funds brought forward		335,784	23,015	358,799	-	-	-
Total funds carried forward		345,155	5,654	350,809	335,784	23,015	358,799

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.

Institute of Business Ethics

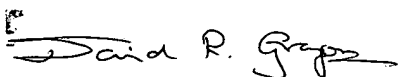
Balance sheet

As at 31 December 2020

Company number 11594672

	Note	£	2020 £	£	2019 £
Fixed assets:					
Tangible assets	9		5,037		3,123
Intangible assets	9		38,891		43,228
Share in Investing in Integrity	17		-		2,500
Investments	10		30,814		30,376
			<u>74,742</u>		<u>79,227</u>
Current assets:					
Debtors	11	33,014		111,890	
Cash at bank and in hand		464,265		333,404	
		<u>497,279</u>		<u>445,294</u>	
Liabilities:					
Creditors: amounts falling due within one year	12	221,212		165,723	
				<u>165,723</u>	
Net current assets			<u>276,067</u>		<u>279,572</u>
Total net assets			<u><u>350,809</u></u>		<u><u>358,799</u></u>
The funds of the charity:					
Unrestricted income funds:					
Designated funds	15a	57,909		55,693	
General funds		287,246		280,091	
		<u>287,246</u>		<u>280,091</u>	
Total unrestricted funds			<u>345,155</u>		<u>335,784</u>
Restricted funds	15a		5,654		23,015
			<u>5,654</u>		<u>23,015</u>
Total charity funds			<u><u>350,809</u></u>		<u><u>358,799</u></u>

Approved by the trustees on 29 June 2021 and signed on their behalf by



Ian Peters, MBE
Director

Statement of cash flows

For the year ended 31 December 2020

	year ended 31 Dec 2020		15 months ended 31 Dec 2019	
	£	£	£	£
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	(8,526)		359,586	
Gains on investments	(438)		(176)	
Loss on disposal of joint venture	2,500			
Depreciation and amortisation	14,168		732	
Decrease / (Increase) in debtors	78,876		(35,295)	
(Decrease) / Increase in creditors	55,489		85,319	
Net cash used in operating activities		142,069		410,165
Cash flows from investing activities:				
Purchase of fixed assets	(11,745)		(45,002)	
Net cash used in investing activities		(11,745)		(45,002)
Change in cash and cash equivalents in the period		130,324		365,164
Cash and cash equivalents on transfer of funds / start of period		333,404		349,336
Change in cash and cash equivalents in the prior period		-		(381,095)
Change in cash and cash equivalents due to foreign exchange		538		-
Cash and cash equivalents at the end of the period		464,266		333,404

Analysis of cash and cash equivalents

	At 1 January 2020	Cash flows	Other changes	At 31 December 2020
	£	£	£	£
Cash in hand	333,404	130,324	538	464,266
Total cash and cash equivalents	333,404	130,324	538	464,266

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.

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.

The prior period was a 15 month period with 9 months of activity and as a result, amounts presented in the financial statements are not entirely comparable with the prior year.

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.

Key judgements that the charity has made which have a significant effect on the accounts include [estimating the liability from multi-year grant commitments].

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.

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.

1 Accounting policies (continued)

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

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 as a cost against the activity for which the expenditure was incurred.

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	6%	10%	10%
• Advisory	17%	28%	28%
• Training	11%	17%	17%
• Meetings & Events	17%	26%	26%
• Publications & Projects	12%	19%	19%
• Support costs	32%		
• Governance costs	5%		

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.

1 Accounting policies (continued)

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.

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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

o) Financial instruments

The charity only has both basic and non-basic financial assets and financial liabilities. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. Non-basic financial instruments are measured at fair value with any gain or loss going to the statement of financial activities. 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

	year to 31 Dec 2020 Total £	15 months to 31 Dec 2019 Total £
Corporate subscriptions	607,858	480,375
Individual subscriptions	3,366	5,200
CRP (Contributed Income, Research & Publication Fund) – restricted fund	10,000	37,000
	<u>621,224</u>	<u>522,575</u>

All income sources listed above are unrestricted except for the £2,500 received in the current period which is restricted.

Institute of Business Ethics

Notes to the financial statements

For the year ended 31 December 2020

3 Analysis of expenditure (current period)

	Charitable activities						Support costs	year to 31 December 2020
	Raising funds	Advisory	Training	Meetings & Events	Publications & Projects	Governance 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

Institute of Business Ethics

Notes to the financial statements

For the year ended 31 December 2020

3 Analysis of expenditure (prior period)

	Charitable activities							15 months to 31 December 2019
	Raising funds £	Advisory £	Training £	Meetings & Events £	Publications & Projects £	Governance costs £	Support costs £	£
Staff costs (Note 5)	37,564	94,253	61,297	66,099	55,276	26,619	93,541	434,649
Project/product expenditure	-	9,517	6,829	-	-	-	-	16,346
Marketing & hospitality	-	2,166	3,249	5,415	-	-	-	10,830
Events	-	-	4,002	12,774	-	-	-	16,776
Publications	-	-	-	-	39,497	-	-	39,497
EBEF event	-	-	-	-	-	-	-	-
Other direct costs	-	9,293	-	-	-	5,893	-	15,186
Rent, rates & service charge	2,449	7,671	6,050	6,326	6,504	2,435	13,084	44,519
Office & IT equipment	501	1,570	1,239	1,295	1,332	499	2,679	9,115
Office costs	633	1,984	1,565	1,636	1,682	630	3,384	11,514
IT costs	763	2,389	1,885	1,971	2,026	759	4,076	13,869
Professional fees	525	1,646	1,298	1,358	1,396	523	2,808	9,554
Associate & Recruitment cost	1,053	3,297	2,601	2,719	2,796	1,047	5,624	19,137
Insurance	265	831	655	685	704	264	1,417	4,821
	43,753	134,617	90,670	100,278	111,213	38,669	126,613	645,813
Support costs	10,690	33,490	26,415	27,620	28,398	-	(126,613)	-
Governance costs	3,265	10,228	8,068	8,435	8,673	(38,669)	-	-
Total expenditure 2019	57,708	178,335	125,153	136,333	148,284			645,813

4 Net income for the period

This is stated after charging / crediting:

	year to 31 Dec 2020 £	15 months to 31 Dec 2019 £
Operating lease rentals:		
Property	43,959	30,278
Other	18,480	16,472
Auditor's remuneration (excluding VAT):		
Audit	6,275	6,150
Foreign exchange gains or (losses)	536	(787)

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

Staff costs were as follows:

	year to 31 Dec 2020 £	15 months to 31 Dec 2019 £
Salaries and wages	573,312	384,376
Social security costs	58,164	38,368
Employer's contribution to defined contribution pension schemes	18,261	11,905
	649,737	434,649

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

	year to 31 Dec 2020 No.	15 months to 31 Dec 2019 No.
£70,000 – £79,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £174,170 (2019: £118,067).

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 (2019: £279) incurred by 0 members (2019: 1) 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:

	year to 31 Dec 2020 No.	15 months to 31 Dec 2019 No.
Raising funds	0.9	0.7
Advisory	2.4	2.2
Training	1.5	1.7
Meetings & Events	2.3	1.8
Publications and Projects	1.7	1.9
Support	4.5	3.8
Governance	0.7	0.7
	14.0	12.8

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

	year to 31 Dec 2020 No.	15 months to 31 Dec 2019 No.
Raising funds	0.7	0.6
Advisory	2.1	1.8
Training	1.3	1.4
Meetings & Events	2.0	1.5
Publications and Projects	1.4	1.4
Support	3.9	3.1
Governance	0.6	0.6
	12.0	10.4

7 Related party transactions

There are no donations from related parties to disclose for 2020 (2019: 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		
Cost – fixed	Computers £	Total £
At the start of the period	4,396	4,396
Additions in the period	3,725	3,725
At the end of the period	8,121	8,121
Depreciation		
At the start of the period	1,273	1,273
Charge for the period	1,811	1,811
At the end of the period	3,084	3,084
Net book value		
At the end of the period	5,037	5,037
At the start of the period	3,123	3,123
Cost – intangibles	Website £	Total £
At the start of the period	43,228	43,228
Additions in the period	8,020	8,020
At the end of the period	51,248	51,248
Depreciation		
At the start of the period	12,357	12,357
Charge for the period	–	–
At the end of the period	12,357	12,357
Net book value		
At the end of the period	38,891	38,891
At the start of the period	43,228	43,228

All of the above assets are used for charitable purposes.

10 Listed investments measured through profit and loss

	year to 31 Dec 2020	15 months to 31 Dec 2019 £
Fair value at the start of the period	30,376	30,200
Net gain / (loss) on change in fair value	438	176
Fair value at the end of the period	<u>30,814</u>	<u>30,376</u>
Investments comprise:		
	2020	2019 £
UK Common investment funds	30,814	30,376
	<u>30,814</u>	<u>30,376</u>

11 Debtors

	2020	2019 £
Trade debtors	24,329	43,948
Other debtors	–	3,323
Prepayments	8,393	56,802
Accrued income	292	7,817
	<u>33,014</u>	<u>111,890</u>

12 Creditors: amounts falling due within 12 months

	2020 £	2019 £
Trade creditors	–	–
Sundry creditors	(5,123)	6,648
Taxation and social security	21,021	19,360
VAT	2,970	2,377
Accruals	44,340	33,605
Deferred income	158,004	103,733
	<u>221,212</u>	<u>165,723</u>

13 Deferred income

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

	2020 £	2019 £
Balance at the beginning of the period	103,733	–
Amount released to income in the period	(103,733)	–
Amount deferred in the period	158,003	103,733
Balance at the end of the period	<u>158,003</u>	<u>103,733</u>

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

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible and intangible 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

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

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	46,351	–	–	46,351
Net current assets	233,740	55,693	23,015	312,448
Net assets at 31 December 2020	280,091	55,693	23,015	358,799

15a Movements in funds (current period)

	At 1 January 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
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 funds	358,799	931,540	(939,530)	–	350,809

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 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2019 £
Restricted funds:					
Contributed Income, Research & Publication Fund	-	37,000	(13,985)	-	23,015
Unrestricted funds:					
Designated fund: Professionals against Corruption (PaC)	64,985	-	(773)	(8,519)	55,693
General funds	315,323	588,091	(631,842)	8,519	280,091
Total unrestricted funds	380,308	625,091	(646,600)	-	358,799

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 Research and Publication Supporters Fund, that will allow IBE to create more resources and freely disseminate them more widely. The monies collected so far will be spent by Q2 of 2020.

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

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	
	2020	2019	2020	2019
	£	£	£	£
Less than 1 year	-	101,595	-	309
1 - 5 Years	-	75,709	-	-
	-	177,304	-	309

17 Share in Investing in Integrity

The charity owned 50% of the issued ordinary share capital of Investing in Integrity Ltd, a company registered in England, with the remaining 50% owned by the Chartered Institute of Securities and Investments. The trustees believe that the company qualified as a joint venture for accounting purposes. Given the level of activities, consolidated accounts have not been prepared as the effect on both the Statement of Financial Activities and the Balance Sheet would be immaterial.

The company Investing in Integrity was closed down and wound up during 2020. All surplus funds (less processing fees) were split 50/50 between the IBE and the Chartered Institute of Securities and Investments.

	2020 £	2019 £
Turnover	-	-
Cost of sales	-	-
Gross profit	-	-
Administrative expenses	-	(114)
Loss for financial year	-	(114)

The charity's share of any profit or loss is 50% of the overall. Administrative expenses above includes payments made under gift aid to the controlling parties. The payment made to the charity has been included within voluntary income.

	2020 £	2019 £
The charity's share of the equity of Investing in Integrity consists of:		
Share Capital	-	2,500
Retained Earnings	-	121
Total	-	2,621