

Focus on Labour Exploitation  
(A company limited by guarantee)  
Report and Financial Statements  
For the year ended 31 March 2021

Charity registration no 1159611

Company registration no 08451701

**Focus on Labour Exploitation**

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## **Reference and administrative details**

<b>Trustees</b>	Peter Andrews Vash Arora Jane Ellis Claire Falconer Rachel Hewitt Ian Robinson Adam Weiss
<b>Principal Office</b>	The Foundry 17 Oval Way London SE11 5RR
<b>Charity number</b>	1159611
<b>Company number</b>	08451701
<b>Bankers</b>	Triodos Bank Deanery Road Bristol BS1 5AS  The Co-operative Bank 1 Balloon Street Manchester M60 4EP
<b>Auditor</b>	Field Sullivan Limited 70 Royal Hill Greenwich SE10 8RF

## **Focus on Labour Exploitation**

### **Report of the trustees for the year ending 31 March 2021**

The trustees present their report and accounts for the year ended 31 March 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's memorandum and articles of association, the Charities Act 2011, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard application in the UK and Republic of Ireland (FRS 102).

### **Our purposes and activities**

Our charity's purpose as set out in the objects contained in the company's memorandum of association are:

To promote and advance the human rights of victims of human trafficking, and in particular, those trafficked for the purpose of labour exploitation, in the United Kingdom and throughout the world, by all or any of the following means:

- Monitoring abuses of the human rights of victims of human trafficking;
- Obtaining legal or other redress for abuses of the human rights of victims of human trafficking;
- Research into issues affecting the human rights of victims of human trafficking, and in particular, those trafficked for the purpose of labour exploitation;
- Providing technical guidance, both to Governments and organisations working with victims of human trafficking, on issues concerning the human rights of victims of human trafficking;
- Contributing to the sound administration of laws which protect the human rights of victims of trafficking;
- Commenting on the effect of proposed legislation on the human rights of victims of human trafficking;
- Raising awareness of, and promoting public support for, human rights issues affecting victims of human trafficking;
- Promoting respect for the human rights of victims of human trafficking amongst both individuals and corporations;
- International advocacy of the human rights of victims of human trafficking.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2).

The company works to benefit both current and potential victims of trafficking for labour exploitation, in the UK and worldwide.

The trustees have considered this matter and concluded:

1. that the aims of the organisation continue to be charitable;
2. that the aims and the work done give identifiable benefits to the charitable sector and both indirectly and directly to individuals in need;
3. that the benefits are for the public, are not unreasonably restricted in any way and certainly not by ability to pay; and
4. that there is no detriment or harm arising from the aims or activities.

## **Achievements and performance**

Throughout 2020/21, FLEX has built on its work to improve national and international responses to better protect and promote the rights of people facing or at risk of exploitation. Achievements are detailed below following the framework provided by FLEX's Strategic Plan 2020-25:

FLEX has a vision of a world free from all forms of labour exploitation, including forced labour and human trafficking.

Our mission is to end labour exploitation by challenging and transforming the systems and structures that create vulnerabilities for workers. We do this by undertaking research, knowledge building and evidence-based advocacy aimed at preventing labour abuses, protecting the rights of those affected, and promoting best practice policy responses to labour exploitation.

### **Our approach:**

FLEX' work builds on the understanding that labour exploitation is situated at the extreme end of a spectrum ranging from labour compliance through to labour law violations, culminating at extreme exploitation in the form of offences such as forced labour and human trafficking for labour exploitation. These are at once serious crimes, human rights breaches and violations of labour law. Labour exploitation takes place in every country in the world, and whilst in recent years we have seen a boom of corporate social responsibility initiatives seeking to address risks in global supply chains, state surveillance and legislation remains weak, and exploitation taking place in national contexts remain largely under-researched and misunderstood. As a result, very few of the estimated millions of victims are ever identified and just a fraction of cases result in the prosecution of perpetrators or compensation for survivors.

FLEX recognises that workers at risk of poverty, destitution, discrimination and/or social exclusion are at higher risk of exploitation, and therefore pays particular attention to:

1. **Workers in low-paid and insecure work:** Struggling to make ends meet, low-paid workers are at high risk of falling into debt and facing destitution. Fear of losing work is a major deterrent to reporting abuse and many workers are willing to endure labour abuses and even exploitation. Insecure work arrangements, such as false self-employment and zero-hours contracts, create further instability as workers are not guaranteed an income and can more easily have their work terminated.
2. **Women workers:** Women face additional vulnerabilities related to gendered cultural and structural issues, such as unequal treatment at work, discrimination related to pregnancy and maternity, and gender-based violence and sexual harassment at work. Carrying a disproportionate

care burden may push women into more casual employment and make them less able to leave abusive situations. Women are also disproportionately represented in low-paid and precarious work, where they may also face unequal treatment. FLEX's intersectional feminist approach recognises that gender inequality often intersects with other forms of disadvantage to increase women's risk of exploitation.

3. **Migrant Workers:** Migrant workers are also disproportionately represented in low-paid, precarious and informal work. They may also face additional situational vulnerabilities compared to non-migrants, including language barriers, limited support networks and lack of knowledge of labour rights or where to access support. Government policies affecting migrants, such as restrictions on accessing social protections (e.g., no recourse to public funds) create additional vulnerabilities for migrants. Undocumented migrants are particularly at risk of exploitation, especially in contexts where undocumented labour is criminalised.

FLEX works alongside other organisations committed to the rights of vulnerable workers and those working to combat labour exploitation. FLEX is also guided by organisations working with people affected by, or at risk of labour exploitation in the UK, including trafficked persons, who form FLEX's 'Labour Exploitation Advisory Group'.

FLEX is a member of UK-based and global networks of individuals and agencies that share its commitment and values. These include: the UK Anti-Trafficking Monitoring Group, the Ethical Trading Initiative, the Platform for International Cooperation on Undocumented Migrants, the Global Alliance against Traffic in Women, and La Strada International.

FLEX operates on the **values** of:

- **Respect** – for equality and recognition of the role of intersectionality, understood as overlapping or accumulated layers of discrimination, and systemic oppression in creating vulnerabilities and disadvantage.
- **Courage** – to explore, probe, and approach challenges with creativity.
- **Integrity** – thoroughness, rigour and reliability in how we use information to evidence the need for change.
- **Justice** – everything we do is aimed at achieving a more just society.
- **Accountability** – towards those affected by labour exploitation, whose safety, well-being and voice are central to our work.

Our working **principles** are: quality outputs; rigorous and accurate research and reporting; high ethical standards; reflection on our impact; collaborative approach; do no harm.

#### **Top ten things we are most proud of this year:**

1. We continued providing analysis and evidence-based research to Government and to key stakeholders to inform a safer post-Brexit UK immigration system, playing a key role in ensuring that potential victims of modern slavery are allowed to submit late applications to the EU Settlement Scheme.
2. We published FLEX and FMF '*Assessment of the Risks of Human Trafficking for Forced Labour on the UK Seasonal Workers Pilot*', which provides unique independent evidence on the risks

associated with the agricultural Seasonal Worker Pilot. As a result of this work the Scottish Government commissioned a dedicated helpline to provide information and casework support to workers, produced informative materials on workers' rights and COVID-19 rules, and is currently looking into strengthening standards and inspections of caravan accommodation.

3. We worked closely with the Home Office, with devolved administrations, and with the UK Director of Labour Market Enforcement to promote the enforcement of labour rights as part of the national response to human trafficking, including by informing the development of the Single Enforcement Body, a FLEX recommendation from 2017.
4. We provided prompt analysis on the potential impact of the new rules allowing the removal of migrants rough sleepers on increased risk of exploitation among the wider homeless population. Over 150 organisations supported our joint statement, which led several local authorities across the country announced that they will not cooperate in enforcing these new rules.
5. We increasing the awareness of key stakeholders about the need for secure reporting mechanisms to ensure that workers with insecure immigration status are able to report abuse without fear, including the Office for the Director of Labour Market Enforcement, the Gangmasters Licensing and Abuse Authority, the Independent Anti-Slavery Commissioner, the Greater London Authority, MOPAC, and the London Metropolitan Police.
6. We developed FLEX's 'Peer Researcher' model, an innovative participatory action research methodology through which we engaged workers from high-risk sectors in all areas of the research process and in advocacy and strategic comms work.
7. We developed informative material for workers in London low-paid sectors and for EU and temporary workers in agriculture, in 16 different languages and in partnership with supporting organisations to give visibility to the sources of support.
8. We developed a range of partnership projects across sectors, including with key front-line organisations and trade unions organising precarious workers, public bodies, and academics.
9. We engaged staff members in developing strategic work and continued to strengthen the organisation by reviewing policies and monitoring tools, as well as by increasing the representation of experts by experience as part of our staff team.
10. Lastly, we managed to overcome the many challenges posed by the COVID-19 pandemic, adapt our operations to work remotely, and evolve as an organisation by investing in protecting the wellbeing of our staff and developing a more supportive environment.

FLEX has completed the following work against its four core objectives over the past year:

**FLEX Strategic Objective 1: To challenge and positively transform policies, attitudes and practices that drive labour exploitation.**

Within this aim FLEX seeks to build understanding and evidence of drivers of labour exploitation, including Government policies and business operating models and practices, and structural inequalities, such as gender and racial discrimination. We also work to build awareness and understanding of drivers of exploitation among decision-makers and key stakeholders. Our media and communications work within this aim has the objective of increasing decision-makers' awareness and

understanding of systemic and structural issues creating risks of labour exploitation by shifting media narratives.

**Work over the past year has resulted in the following key outcomes:**

Following the outbreak of COVID-19 in the UK, FLEX began monitoring the impact of the pandemic on low-paid workers, focusing on those with insecure employment arrangements, migrants and women. In April 2020, we published a briefing titled 'No Worker Left Behind: Protecting Vulnerable Workers from Exploitation During and After the Coronavirus Pandemic'. The briefing highlighted the failure to designate labour inspectors as essential workers and provided a number of recommendations to government and labour inspectorates. As a result, FLEX was approached by the London's Migration and Integration lead to inform their response to COVID-19. FLEX briefing was also picked up by the Independent Anti-slavery Commissioner, who hosted two meetings with NGOs, trade unions and labour inspectorates to discuss concerns around their response during COVID-19 and inform the work of the GLAA during the pandemic.

In response to the pandemic, we also developed a project that seeks to identify barriers to accessing employment rights and social protections in the context of the pandemic. This 1-year project is being delivered in partnership with two grassroots trade unions organising workers in low pay sectors: United Voices of the World and the Independent Workers of Great Britain. The partnership provides support and advice to workers affected by the pandemic and applies quantitative and qualitative methods to carry out research and document the situation to develop worker-informed recommendations.

During this period, FLEX has been actively engaged in **advocating for a safe post-Brexit immigration system for labour migration**. We have done this by actively engaging in policy processes and advocacy platforms, as well as by conducting research to evidence risks and effective impact of the changes on workers, as well as actionable solutions. This work has involved maintaining active engagement through advocacy platforms and groups, including two Home Office-led groups: the EU Settlement Scheme Vulnerable User Group, which monitored the impact of the scheme aimed at providing EEA Nationals already residing in the UK with regular status post-Brexit; and the Vulnerability Advisory Group, an expert panel set up to provide advice on the development and implementation of the UK's post-Brexit immigration system.

In April 2020, we co-organised an event with the All-Party Parliamentary Group on Migration titled *The Impact of Britain's Future Immigration Policy on Decent Work in Low-Paid Sectors*. The panel included Matthew Taylor, Director of Labour Market Enforcement (DLME); and representatives from the Latin American Women's Rights Service (LAWRS); the Recruitment and Employment Confederation; London First; and FLEX. The panel discussed the potential impact of Government's plans and the lack of a general route for migration into low-paid work.

We engaged in parliamentary work, as well as in joint advocacy with numerous organisations. We also wrote an article for the **Journal of Poverty and Social Justice** on the likely increase in irregular migration post-Brexit, and the associated risk of labour exploitation. The article outlines the different



ways in which people can end up with an irregular immigration status post-Brexit and what this will mean in terms of their rights and vulnerability to exploitation. The article will be published in 2021.

In March 2020, we started conducting an outreach and research into Scottish farms, which we delivered in partnership with Fife Migrant Forum (FMF), a front-line migrant-led organisation providing support to workers. The research sought to assess the risks of forced labour for workers on the Tier 5 Seasonal Worker Visa and was carried out in key languages spoken by workers in the sector (Bulgarian, English, Lithuanian, Romanian, Ukrainian, Russian, Latvian, Moldavian). As part of this project, we also produced guidance for both workers in the Seasonal Work Pilot and EU workers, in partnership with the Scottish Government, FMF, and Just Rights Scotland. The final report, *'Assessment of the Risks of Human Trafficking for Forced Labour on the UK Seasonal Workers Pilot'*, was published in March 2021. Key findings were presented to key Scottish Government policy teams and COSLA, as well as to the pilot operators, employers and relevant civil society organisations.

In June 2020 FLEX submitted evidence to the Department of Business, Energy and Industrial Strategy's 'Reforming Regulation Initiative'. Highlighting findings from FLEX participatory research with cleaners, the submission highlighted the impact that the extensive use of outsourcing can have on workers' wages and working conditions, including the intensification of workloads leading to unpaid working time and dangerous working conditions. The submission recommended better regulation of outsourcing through, for example, licensing of cleaning companies and joint and several liability legislation.

In November 2020, FLEX was invited to provide evidence of the impact of COVID-19 on victims of trafficking and on insecure workers to the UN Special Rapporteur on Slavery.

In December 2020, we wrote a letter to the Home Secretary, and the ministers for Housing and Safeguarding, in collaboration with Anti-Slavery International, the Anti-Trafficking Monitoring Group, Doughty Street Chambers and Hope for Justice, warning them about the risks of increased exploitation linked to a new rule that allows the deportation of visa holders who are sleeping rough. The letter was signed by 151 charities, unions, lawyers and councils. It received significant media attention and informed the responses from various key stakeholders, including various local authorities, the Greater London Authority and the Independent Anti-Slavery Commissioner (IASC).

In March 2021, in we worked in collaboration with the Human Trafficking Foundations to co-lead a coalition of 30 anti-trafficking NGOs to commit London Mayoral candidates to prioritise tackling modern slavery, as identification numbers drop in the capital for the first time in eight years despite increased risk of exploitation. As a result of this joint work, the elected Mayor of London, Sadiq Khan, Conservative candidate, Shaun Bailey, Liberal Democrat candidate Luisa Porritt, Green Party candidate Siân Berry and Women's Equality Party candidate Mandu Reid have agreed to sign a pledge.

**FLEX Objective 2: Ensure that the enforcement of the full range of workers' rights forms part of national and international responses to labour exploitation.**

Within this aim FLEX works to build evidence of the links between severe labour abuses, exploitation and trafficking; and about the impact of labour market enforcement strategies and of the role of marginalised workers in preventing and addressing labour exploitation. We also seek to build

understanding of the ‘prevention’ obligation in state’s responses to human trafficking for labour exploitation, by advocating for enforcement of labour standards as a central plank of effective anti-trafficking responses.

During this period, FLEX has made good progress on meeting this objective. We have worked closely with UK labour market enforcement bodies, with devolved administrations, with the Home Office and with the UK Director of Labour Market Enforcement. As we await Government’s response to the consultation, we continued working to inform discussions about the future **UK Single Enforcement Body**, particularly by engaging in advocacy meetings with the ODLME. Our key recommendations include calling for evidence-based funding, the development of a comprehensive prevention strategy that recognises the links between labour abuses and criminal forms of labour exploitation, the development of a gender-responsive approach to enforcement, and the introduction of secure reporting.

In April 2020, we launched the Labour Exploitation Advisory Group (LEAG, see Aim three) report on secure reporting, *‘Opportunity Knocks: improving responses to labour exploitation with secure reporting’*, which calls for an end to the data sharing of migrants information by the police and labour inspectorates, for immigration enforcement purposes. We developed an advocacy plan to target specific stakeholders. Work on this area involved a number of key advocacy activities, including co-hosting a virtual event with LAWRS, which was chaired by the London Victims’ Commissioner and had presentations from police officers from the New York City Police Department, Amsterdam Police and the UK Independent Anti-Slavery Commissioner, and attended by key stakeholders (police forces, ODLME, IASC, London MOPAC, etc.). As a result of FLEX and LEAG’s work, a number of key stakeholders have expressed support for secure reporting in order to ensure that all workers are able to report abuse. We continue to engage in discussions with key stakeholders.

In 2019, FLEX set up the Taskforce on Victims of Human Trafficking in Immigration Detention (Human Trafficking Foundation, Unseen, Bail for Immigration Detainees, and others), which advocates for the end to the detention of victims of trafficking. In May 2020, the Detention Taskforce submitted evidence to the Home Secretary’s review of the current policies related to victims of trafficking in immigration detention, following a successful legal challenge by solicitors from Taskforce member Duncan Lewis. Following the outbreak of COVID-19, a high number of detainees were released from Immigration Removal Centres into the community. During this period, FLEX has engaged with the office of the Independent Chief Inspector of Borders and Immigration (ICIBI) on this matter and has been invited to inform the Home Office’s proposed new policy on victims of trafficking in detention.

Finally, in January 2021, FLEX published the report *"If I Could Change Anything About My Work..." Participatory Research With Cleaners In The UK"*. The report, which found that 61% of participants experienced issues with their pay, 60% of respondents experienced dangerous working conditions, and 86% suffered work-related health issues, is being used to inform a potential pilot project with the GLAA, which will focus on cleaning, as well as FLEX engagement with relevant businesses. This research project supported the development of FLEX **‘Peer Researcher’ model** (see Aim three), through which we implemented a feminist participatory action research approach (FPAR) to involve workers as peer-researchers in every stage of the research process. FLEX team of paid peer researchers completed

interviews and facilitated focus groups with cleaning and hospitality workers. We have also carried out a survey, which was responded by 204 workers. Published.

**Objective 3: To mobilise cooperation in addressing labour exploitation by providing leadership and expertise across sectors.**

Within this aim FLEX has the following objectives: To develop methodologies for engagement with ‘experts by experience’ and foster recognition of their role as key for driving effective change; to develop awareness about labour exploitation and its prevention among key stakeholders, such as civil society network and platforms; and to leverage national, international and global networks to hold governments to account and advocate for the rights of victims of trafficking for labour exploitation. Our media and communications work under this aim seeks to diversify the voices and actors represented in media coverage about labour exploitation and to support the empowerment of people affected.

During this period, FLEX developed and implemented its Peer Researcher model, a feminist participatory action research (FPAR) approach to investigate drivers of labour exploitation and to develop better informed policy. Like other participatory approaches, FLEX’s Peer Researcher Model seeks to work ‘with’ rather than ‘on’ the community being researched. It is directed by the two core principles of FPAR: that research should enable the empowerment of those most affected by an issue to generate knowledge that can bring about social change and that, for this reason, it should be community-led. Through this model, we have worked with a network of paid peer researchers – workers from the sector being researched – at every stage, from research design to data collection, analysis and advocacy. Peer researchers were consulted on the design of data collection tools (interview templates, focus group design and survey questions) and received training on research methods, ethics, safeguarding and signposting, as well as ongoing support. In March 2021, we published the handbook *‘Experts by Experience: Conducting Feminist Participatory Action Research with Workers in High-risk Sectors’*, which has received significant interest from key statutory and civil society stakeholders, including the ODLME and several academic research teams.

In May 2020, FLEX worked with the Mayor of London’s team to produce a video about labour exploitation, as part of their online campaign to provide migrants with information about their employment rights during COVID-19. This was an opportunity to bring together the labour standards and anti-trafficking services into one informative video targeting at-risk workers. The video was filmed in 11 languages (available at the Mayor’s Employment Rights Hub and YouTube).

In December 2020, FLEX run the first meeting of this stakeholder group, made up of frontline organisations, and academics. The aim of this group is to develop a joint position paper on the issue of workplace sexual harassment enforcement gaps, with a particular focus on low-paid workers. Building on findings from our participatory research in cleaning and hospitality, the working group will develop recommendations to support policymakers to close this enforcement gap.

In January 2021, FLEX launched its ‘Train the Trainer’ programme for London-based police and local authorities on their responsibilities to victims of modern slavery. With the overall aim of improving knowledge and awareness of modern slavery and legal duties among these First Responder

organisations, this training programme focuses on ensuring knowledge is passed on through subsequent internal training. FLEX also launched a new bespoke training programme for community-based organisations on human trafficking for forced labour, with the aim of improving their ability to identify and respond to risk of labour exploitation, as well voice related concerns via joint advocacy work.

FLEX is member of key international advocacy networks, including GAATW, LaStrada International, and PICUM. During this period, FLEX worked in collaboration with key partners on 16 advocacy and campaigns joined actions in support of the wider movement for change. For instance, in April 2020 we joined Rights of Women Advisory Group on Sexual Harassment in the Workplace in signing a letter calling on the Lord Chancellor to extend the 3-month time limit for discrimination and harassment claims to 6 months given the circumstances of the pandemic. In July, we became official ‘supporters’ of Unchecked UK, a group that advocates for ‘common-sense protections which help keep people safe and allow businesses to thrive’, including labour market regulations. In August, we co-signed a Letter to Home Secretary Priti Patel, drafted by JCWI calling government to introduce safe and legal routes of entry to the UK, including by introducing Humanitarian Visas, expanding the Family Reunification Rules, and properly funding and extending the Vulnerable Persons Resettlement Scheme. In September we joined a statement of UK civil society organisations and trade unions, coordinated by Labour Behind the Label, responding to the Independent Review of The Boohoo Group’s Leicester Supply Chain. We also helped promote a petition to Parliament, initiated by the Voice of Domestic Workers, which seeks to reinstate the original Overseas Domestic Worker visa.

**Objective 4: To ensure that FLEX is able to respond to the interests of actual and potential victims of human trafficking for labour exploitation.**

During this period, FLEX developed its new Business Plan 2020-2025 through a process that involved staff, trustees and key external contacts. The new Business Plan presents our focus on workers in low-paid and insecure work, women workers, and migrant workers, and expresses our commitment to integrate two key cross-cutting themes in our work (Power and Voice, and Diversity and gender Equality). The business plan informed FLEX Operational Plan 2020-21. We also implemented a new model for organisational cultural change, which involves staff in leading strategic processes. During this year, a working group led by FLEX Networks and Impact Officer, made up of three other members of staff and working in consultation with a trustee and the CEO, developed FLEX ‘Diversity and Inclusion’ strategy. This new strategy covers organizational capacity and policies, representation, operational delivery and communications.

This objective relates to ensuring a healthy and productive working environment for FLEX staff. To this end, we created and recruited for three new roles: an Operations and Comms Assistant, carrying out administrative and communications-related tasks; a Training Officer, a role which has allowed FLEX to reinstate a new version of its training and outreach programme; and a Peer Coordinator, a worker from our Peer Researchers team who has joined our staff team to support the coordination of our Peer Researchers network and to support our data collection on gig economy couriers and delivery drivers. In response to the potential impact of COVID-19 on FLEX team and work, the Board of Trustees

held two extraordinary meetings to provide strategic support and explore any necessary ad-hoc measures, including reviewing key HR policies.

**During this period, FLEX consolidated its work on** strategic comms by engaging in a consultancy support programme and by increasing staff capacity in this area. This work resulted in **increased media engagement and over 43 media appearances, including the following key ones:**

- Financial Times, 14.04.20 – Regarding migrant workers and impact of pandemic
- Politics Home – 25.09.20 – Regarding labour exploitation and the pandemic
- Reuters – 01.12.20 – Op-ed on deportation of rough sleepers and risk of trafficking (letter to the Home Secretary signed by 151 organisations)
- Independent – 01.12.20 – An exclusive covering letter to Home secretary on deportation of rough sleepers and risk of trafficking
- Financial Times, – 18.01.21 – On sexual harassment enforcement gaps
- Financial Times – 16.03.21 – An exclusive on the findings of our research report on the risks of forced labour for workings on the Seasonal Worker Visa.

In July, FLEX hosted the online event ‘Messaging Modern Slavery: expert panel and discussion’ which was attended by over 100 people, viewed 278 times on YouTube and received overwhelming positive feedback from journalists, academics, funders and practitioners. This event discussed the media’s role in shaping our understanding of the causes and solutions of labour exploitation and included a journalist, academics and an activist with lived experience of human trafficking. We have also posted 22 blogs and news pieces on our website, including a blog written by FLEX Peer Coordinator, a former gig economy worker, and two blogs authored by the research assistants who conducted fieldwork on Scottish farms, both with seasonal agricultural work experience.

Finally, this objective relates to our sustainable funding strategy and over the past year FLEX has maintained its financial sustainability, progressing projects into their new phase and developing new partnerships with the support of existing and new funders. We have worked hard to counterbalance the sustainability risks brought up by the COVID-19 pandemic and to diversify our income streams through statutory funding and cross-sectors partnerships.

## **Financial review**

The charity’s income increased to £413,831 (2020: £325,325). The charity received additional funds to specifically support work in relation to the impact of COVID 19.

Total expenditure was £316,252 (2020: £279,573) resulting in a net surplus for the year of £97,579 and total reserves of £285,427. Unrestricted reserves increased to £131,960 (2020: £91,833).

## **Investment powers and policy**

The charity is seeking to build reserves in line with the charity’s reserves policy (see below). As most of the charity’s funds are to be spent in the short term there are currently no funds available for long-term investment. Investment income earned during the year relates to interest on the charity’s bank account.

### **Reserves policy and going concern**

The surplus for the year increased the charity's unrestricted reserves to £131,960 which is in line with the reserves target, to cover 3 months operating cost (£78,168). Despite the challenges of the funding environment the Trustees are confident that the charity can maintain unrestricted reserves.

The Trustees are confident that the charity has adequate resources to operate for the foreseeable future due the unrestricted reserves and the level of secured income for the next financial year.

### **Plans for future periods**

FLEX's work plans for the period to 2022 are derived from its Strategic Plan 2020-25, and are focussed on building its evidence-base and networks to support the promotion of its unique perspective and approach to the prevention of trafficking for labour exploitation at the national and international level.

This includes conducting rigorous research, developing policy recommendations and building networks and opportunities for international advocacy. For 2021/22, some of the key areas of focus for FLEX will include:

- Continuing evidencing the impact of unsafe labour migration routes, as well as of the COVID-19 pandemic, on workers in high-risk sectors, and actively engaging in advocacy work to increase understanding of the risk factors and increase protections for workers;
- Continuing FLEX's research and participatory engagement in high-risk labour sectors, hospitality, cleaning and logistics;
- Engaging in key advocacy processes, including the Modern Slavery Strategy review and the proposed UK Single Labour Inspectorate;
- Expanding and diversifying our networks and investing in increasing mutual capacity to jointly help prevent labour exploitation;
- Reviewing the potential for worker-led approaches to corporate accountability;
- Increasing our visibility through high-profile strategic communications work; and
- Deepening our contacts with international bodies and key progressive governments who can act as ambassadors for FLEX approaches to preventing human trafficking for labour exploitation.

## **Reference and administrative details**

Charity number (England and Wales): 1159611

Company number: 08451701

Registered and Principal Office: The Foundry, 17 Oval Way, London, SE11 5RR

## ***Our advisors***

Bankers Triodos Bank, Deanery Road, Bristol, BS1 5AS

The Co-operative Bank, 1 Balloon Street, Manchester, M60 4EP

## **Directors and trustees**

The directors of the charitable company (the charity) are its trustees for the purpose of charity law.

The trustees and officers serving during the year and since the year end were as follows:

Chair Adam Weiss (from May 2021)

Elected Trustees Peter Andrews  
Vash Arora (appointed 8 July 2020)  
Paul Blomfield (resigned 14 July 2020)  
Claire Falconer  
Rachel Hewitt  
Ian Robinson  
Emma Townsend (resigned 22 October 2020)  
Jane Ellis (Chair until May 2021)

## **Key management personnel:**

Chief Executive Lucila Granada

## **Structure, Governance and Management**

### ***Governing Document***

The organisation registered as a charity on 15 December 2014. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £50.

### ***Trustee induction and training***

New trustees are inducted through a meeting with management. Trustees are provided with a copy of the FLEX Trustees Terms of Reference and the Charity Commission's introductory guidance for trustees. New trustees are also asked to complete a personal details form, a declaration of interests, and a skills audit to identify training needs. All trustees are regularly offered training on matters concerning governance.

***Organisation***

The trustees meet on a quarterly basis and oversee the strategic direction of the charity. The day to day operations and management is delegated to the Chief Executive Officer.

***Related parties***

None of our trustees receive remuneration or other benefit from their work with the charity.

***Pay policy for senior staff***

The Board's Remuneration Committee determines the salaries of senior staff. The FLEX Trustees Terms of Reference set out the Terms of Reference for the Remuneration Committee. The Committee includes the Treasurer and at least one other trustee, and meets once a year to review the salaries of senior staff and make recommendations to the Board. The Committee is also responsible for developing and reviewing FLEX's general remuneration policy and principles, and ensuring those principles are being applied.

***Risk management***

The trustees have reviewed the major risks to which the charity is exposed. A risk register has been established which is updated annually. Where appropriate, systems or procedures have been established to mitigate the risks and these are periodically reviewed to ensure that they continue to meet the needs of the charity. The trustees deem that appropriate measures are currently in place to mitigate risk, particularly in the light of the on-going difficult economic environment.



### **Trustees' responsibilities in relation to the financial statements**

The trustees (who are also the directors for the purpose of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees must prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they 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:

- a) select suitable accounting policies and then apply them consistently;
- b) observe the methods and principles in the Charities SORP;
- c) make judgments and accounting estimates that are reasonable and prudent;
- d) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 company 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 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.

The trustees confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

By order of the board of trustees

Adam Weiss

22 September 2021

## **Independent Auditor's Report to the Trustees and Members of Focus on Labour Exploitation**

### **Opinion**

We have audited the financial statements of Focus on Labour Exploitation (the 'charitable company') for the year ended 31 March 2021 which comprise Statement of financial activities, balance sheet, cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the 31 March 2021 then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 the entity's 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 trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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. In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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' report, which includes the directors' report prepared for company law purposes, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' 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' 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.

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 15 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 is detailed below:

Discussions were held with the directors with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards and Company Law and Charity Law.
- It is considered that there are no laws and regulations for which non-compliance may be fundamental to the operating aspects of the business.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material

misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://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.

**Timothy Sullivan** (Senior Statutory Auditor)  
For and on behalf of Field Sullivan Limited, Statutory Auditor  
70 Royal Hill  
Greenwich  
SE10 8RF

Date: 19 October 2021

## Statement of Financial Activities for the year ending 31 March 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
<b>Income:</b>					
Donations	3	103,331	302,119	405,450	313,800
Income from other trading activities:					
Consultancy fees		8,288	-	8,288	11,456
Investment income	4	93	-	93	69
<b>Total income</b>		<b>111,712</b>	<b>302,119</b>	<b>413,831</b>	<b>325,325</b>
<b>Expenditure</b>					
<i>Cost of raising funds:</i>		-	-	-	320
<i>Expenditure on charitable activities:</i>	5	71,585	244,667	316,252	279,253
<b>Total expenditure</b>		<b>71,585</b>	<b>244,667</b>	<b>316,252</b>	<b>279,573</b>
<b>Net movement in funds for the year</b>		<b>40,127</b>	<b>57,452</b>	<b>97,579</b>	<b>45,752</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		91,833	96,015	187,848	142,096
<b>Total funds carried forward</b>		<b>131,960</b>	<b>153,467</b>	<b>285,427</b>	<b>187,848</b>

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

## Balance sheet as at 31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	9	833	1,279
<b>Total Fixed Assets</b>		<u>833</u>	<u>1,279</u>
<b>Current assets</b>			
Debtors	10	70,690	85,930
Cash at bank and in hand		235,409	119,701
<b>Total Current Assets</b>		<u>306,099</u>	<u>205,631</u>
<b>Liabilities</b>			
Creditors falling due within one year	11	(21,505)	(19,062)
<b>Net Current assets</b>		<u>284,594</u>	<u>186,569</u>
<b>Total assets</b>		<u>285,427</u>	<u>187,848</u>
<b>The funds of the charity:</b>			
Unrestricted funds		131,960	91,833
Restricted funds	12	153,467	96,015
<b>Total charity funds</b>		<u>285,427</u>	<u>187,848</u>

The notes at pages 22 to 30 form part of these accounts

The opinion of the directors is that the company is entitled to the exemptions conferred by Section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge the following responsibilities:

1. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
2. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime.

Adam Weiss, on behalf of the trustees

Approved by the trustees on 22 September 2021

## Notes on the accounts

### 1 Accounting policies

#### 1.1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £50 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

The Foundry  
17 Oval Way  
London  
SE11 5RR

These financial statements were authorised for issue by the trustees on 22 September 2021.

#### 1.2 Basis of Preparation of the accounts

The financial statements have been prepared in accordance with the 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) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

Focus on Labour Exploitation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s)

#### 1.3 Preparation of the accounts on a going concern basis

The unrestricted reserves are above the reserves target, the charity has secured a good level of income for 2021-22 and has a positive cash flow. As a result the Trustees are confident that the charity has adequate resources to operate for the foreseeable future.

#### 1.4 Income

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

Gifts and services in kind 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.

Grants are recognised in full in the Statement of Financial Activities in the year in which they are receivable or any requirement imposed on the grant is fulfilled.

Investment income is recognised on a receivable basis.



### 1.5 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:

Fundraising costs are those costs incurred in attracting voluntary income, in particular grant funding and the costs of maintaining the charity's profile within the sector.

Expenditure on charitable activities includes the cost of policy and research work undertaken to further the purposes of the charity and their associated support costs.

### 1.6 Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

### 1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures & fittings	20% Straight line
Computer equipment	33% Straight line

### 1.8 Fund accounting

Unrestricted funds are general funds that are available for the use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

### 1.9 Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

### 1.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

### 1.11 Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

## 2 Statement of Financial Activity – comparative figures to 31 March 2020

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
<b>Income:</b>			
Donations	69,316	244,484	313,800
Income from other trading activities:			
Consultancy fees	11,456	-	11,456
Investment income	69	-	69
<b>Total income</b>	<b>80,841</b>	<b>244,484</b>	<b>325,325</b>
<b>Expenditure</b>			
<i>Cost of raising funds:</i>	320	-	320
<i>Expenditure on charitable activities:</i>	52,130	227,123	279,253
<b>Total expenditure</b>	<b>52,450</b>	<b>227,123</b>	<b>279,573</b>
<b>Net movement in funds for the year</b>	<b>28,391</b>	<b>17,361</b>	<b>45,752</b>
<b>Reconciliation of funds</b>			
Total funds brought forward	63,442	78,654	142,096
<b>Total funds carried forward</b>	<b>91,833</b>	<b>96,015</b>	<b>187,848</b>

### 3. Donations

	2021	2020
	£	£
Barrow Cadbury Trust	30,000	40,000
Esmée Fairbairn Foundation	63,150	45,486
Trust for London	52,000	37,500
Freedom Fund	-	20,000
The Oak Foundation	66,668	66,666
Unbound Philanthropy	45,000	30,000
Paul Hamlyn Foundation	70,000	50,000
Ethical Trading Initiative	3,100	5,000
City Bridge Trust	18,420	-
Awards for All	10,000	-
MOPAC		2,805
The Scottish Ministers	33,192	13,693
Reemiklane Foundation	10,000	-
Government grant	1,594	
Other gifts	2,326	2,650
	<u>405,450</u>	<u>313,800</u>

Total donations were £405,450 of which £103,331 (2020: £69,316) was unrestricted and £302,119 (2020: £244,484) was restricted.

### 4. Investment income

	2021	2020
	£	£
Interest received	93	69
	<u>          </u>	<u>          </u>

## 5. Analysis of expenditure on charitable activities

Description	Fundraising costs	Charitable Activities	2021	2020
	£	£	£	£
Direct costs	-	76,634	76,634	45,339
Direct salary costs	-	195,557	195,557	182,466
Depreciation	-	1,246	1,246	1,187
Support costs:				
<i>Rent</i>	-	23,308	23,308	23,371
<i>Financial consultancy</i>	-	4,979	4,979	5,175
<i>Other consultancy</i>	-	2,325	2,325	1,988
<i>Payroll and recruitment costs</i>	-	506	506	11,340
<i>Travel &amp; accommodation</i>	-	21	21	2,245
<i>Insurance</i>	-	655	655	487
<i>General office</i>	-	4,520	4,520	4,475
<i>Audit fee/Independent examination</i>	-	6,500	6,500	1,500
Total	-	316,252	316,252	279,573

Expenditure on charitable activities was £316,262 of which £71,585 (2020: £51,130) was unrestricted and £244,667 (2020: £227,123) was restricted.

## 6. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2021	2020
	£	£
Salaries and wages	178,263	164,960
Social security costs	13,285	13,631
Pension costs	4,009	3,875
	<u>195,557</u>	<u>182,466</u>

No employee had employee benefits in excess of £60,000 (2020: nil).

The charity trustees were not paid or received any other benefits from employment with Focus on Labour Exploitation. No trustees were reimbursed expenses during the year and no trustees were reimbursed in the prior year. No charity trustee received payment for professional or other services supplied to the charity (2020: nil).

The key management personnel comprises the Chief Executive and their total benefits during the year were £56,500 (2020 - £52,458).

## 7. Staff numbers

The average monthly head count was 6 staff (2020: 5.5 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year was 6 (2020: 5)

## 8. Corporation Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

## 9. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost at 31 March 2020	1,038	7,219	8,257
Additions	-	800	800
Cost at 31 March 2021	<u>1,038</u>	<u>8,019</u>	<u>9,057</u>
Depreciation			
At 31 March 2020	1,038	5,940	6,978
Charge for the year	-	1,246	1,246
At 31 March 2021	<u>1,038</u>	<u>7,186</u>	<u>8,224</u>
Net book value			
At 31 March 2021	<u>-</u>	<u>833</u>	<u>833</u>
At 31 March 2020	<u>-</u>	<u>1,279</u>	<u>1,279</u>

## 10. Debtors

	2021 £	2020 £
Trade Debtors	300	2,000
Prepayments and accrued income	<u>70,390</u>	<u>83,930</u>
	<u>70,690</u>	<u>85,930</u>

## 11. Creditors: amount falling due within one year

	2021	2020
	£	£
Trade Creditors	1,370	7,493
Accruals	14,156	6,152
-Taxation and social security	4,935	4,494
Other creditors	1,044	923
	<u>21,505</u>	<u>19,062</u>

## 12. Restricted Funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

Current period	Movement in funds			
	Balance at 1 April 2020	Incoming resources	Resources expended	Balance at 31 March 2021
	£	£	£	£
Barrow Cadbury Trust	10,289	30,000	(20,464)	19,825
Trust for London	13,328	32,000	(31,461)	13,867
Paul Hamlyn Foundation	23,879	50,000	(36,370)	37,509
Unbound Philanthropy	22,130	20,000	(25,000)	17,130
The Scottish Ministers	-	33,192	(33,192)	-
Ethical Trading Initiative	1,250	3,100	(3,250)	1,100
Esmee Fairbairn Foundation	25,139	40,407	(36,046)	29,500
COVID 19	-	65,000	(43,536)	21,464
Awards for All	-	10,000	(10,000)	-
City Bridge Trust	-	18,420	(5,348)	13,072
Total	<u>96,015</u>	<u>302,119</u>	<u>(244,667)</u>	<u>153,467</u>

## Previous period

	Balance at 1 April 2019	Incoming resources	Resources expended	Balance at 31 March 2020
	£	£	£	£
Barrow Cadbury Trust	3,538	40,000	(33,249)	10,289
Trust for London	-	37,500	(24,172)	13,328
Freedom Fund	-	20,000	(20,000)	-
Paul Hamlyn Foundation	23,007	50,000	(49,128)	23,879
Unbound Philanthropy	21,825	30,000	(29,695)	22,130
The Scottish Ministers	-	13,693	(13,693)	-
Ethical Trading Initiative	625	5,000	(4,375)	1,250
Esmee Fairbairn Foundation	29,659	45,486	(50,006)	25,139
MOPAC	-	2,805	(2,805)	-
<b>Total</b>	<b>78,654</b>	<b>244,484</b>	<b>(227,123)</b>	<b>96,015</b>

The purpose of each restricted fund is as follows:

- Barrow Cadbury Trust: to support policy advocacy work
- Trust for London: to work in London to prevent trafficking and to promote best practice responses
- Freedom Fund: to enhance supply chain transparency
- Paul Hamlyn Foundation: to support research into three high risk labour sectors for EEA workers
- Unbound Philanthropy: for research on the impact of Brexit on EEA workers vulnerability to exploitation
- The Scottish Ministers: for outreach to workers in farms to provide support and gather evidence of the experiences of workers in the sector.
- The Awards for All grant was co-funding towards the Scottish Ministers project.
- Ethical Trading Initiative: to participate in ETI activities.
- Esmee Fairbairn Foundation: to support Feminist Participatory Action Research in three high risk labour sectors
- The COVID 19 project was funding by donations from Paul Hamlyn, Unbound Philanthropy and Trust for London and impact of the COVID-19 pandemic on workers in low pay.
- City Bridge Trust: to build capacity of organisations supporting London communities at risk of labour exploitation, modern slavery and trafficking.

### 13. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total £
Funds balances at <b>31 March 2021</b> are represented by:			
Tangible Fixed Assets	833	-	833
Current Assets	145,125	160,674	306,099
Creditors: amounts falling due within one year	(13,998)	(7,507)	(21,505)
	<u>131,960</u>	<u>153,467</u>	<u>285,427</u>

	Unrestricted Funds £	Restricted Funds £	Total £
Funds balances at <b>31 March 2020</b> are represented by:			
Tangible Fixed Assets	1,279	-	1,279
Current Assets	104,964	100,667	205,631
Creditors: amounts falling due within one year	(14,410)	(4,652)	(19,062)
	<u>91,833</u>	<u>96,015</u>	<u>187,848</u>

### 14. COVID

In response to the COVID 19 outbreak, FLEX developed a bespoke contingency plan to adapt its operations to remote working and regularly adjust timelines and budgets to the evolving situation. This plan included a number of actions aimed at ensuring the successful delivery of our existing projects, which included adapting our timelines and delivery plans to the new circumstances and equipping ourselves to work remotely. In addition, we responded to the impact of COVID-19 on our beneficiaries by developing a dedicated project that involved providing support to affected groups, as well as documenting the impact of the pandemic on workers at risk of exploitation. Finally, we took a number of steps to protect the wellbeing of our staff, including consulting with our team on a regular basis, reviewing FLEX flexible working and sick leave policy, organising socials online, and setting up a new mental health working group, among others.

Focusing on diversifying donors in recent years helped financial resilience during this challenging period. In addition, some donors allowed greater flexibility in use of funds, and provided additional funding for Covid-response projects, for which we are very grateful.