

Focus on Labour Exploitation  
(A company limited by guarantee)  
Report and Financial Statements  
For the year ended 31 March 2022

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 (resigned 24 <sup>th</sup> March 2022) Claire Falconer Rachel Hewitt Ian Robinson Dora-Olivia Vicol (appointed 24 <sup>th</sup> March 2022) 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 9 Hare & Billet Road Blackheath SE3 0RB

## **Focus on Labour Exploitation**

### **Report of the trustees for the year ending 31 March 2022**

The trustees present their report and accounts for the year ended 31 March 2022.

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 2021/22, 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 increasing understanding of the interactions between the **UK's immigration** system and risk of exploitation by providing Government and key stakeholders with analysis and evidence-based research on experiences and drivers of exploitation in hospitality and app-based delivery work, during Covid-19, and affecting women and young people in low-paid jobs; as well as the numbers of potential victims of trafficking being held in immigration detention.
2. FLEX's research findings on the **Seasonal Worker Scheme** prompted the Scottish Government to establish an independent helpline for agricultural workers, to maintain up-to-date informative tools for workers, to work with local authorities to increase caravan inspections on farm sites, and to commit to strengthening relevant legislation. In April 2021, the UK Government updated its guidance for pilot operators to ban the use of zero-hour contracts on the scheme.
3. We continued to engage workers in our research through strengthening our **Peer Researcher model**, an innovative participatory action research methodology involving workers in the research process and advocacy and strategic comms work, and supported others to adopt this methodology. Our research projects provided support to 643 workers during the pandemic and we also **engaged 626 workers** from under-researched high-risk sectors in research aimed at informing policy and practice in the areas of immigration, labour market enforcement, social protection, and business outsourcing practices and platform work.
4. We worked closely with the UK Director of Labour Market Enforcement (DLME) to promote the enforcement of labour rights as part of the national response to human trafficking, with the DLME's annual strategies for [2020/21](#) and [2021/22](#) highlighting the intersection between immigration policy and risk of labour exploitation for the first time and explicitly referencing FLEX's work.
5. Our parliamentary work around the Nationality and Borders Bill helped secure significant support from Peers around the importance of introducing secure reporting mechanisms to prevent exploitation and abuse and reinstating the rights of Overseas Domestic Worker visa holders. We also supported three key amendments that were voted in at Lord's Committee Stage, and informed Peers on the unintended consequences linked to a problematic proposed amendment to the bill, which was effectively dropped.
6. We have significantly increased our capacity to work on improving corporate accountability practices in the UK and started working on a pilot that will develop a corporate human rights due diligence framework for domestic service sector supply chains, which will be informed by workers' experiences during the pandemic.
7. We reinstated **FLEX's bespoke training programme** for statutory bodies and front-line organisations supporting workers and communities represented in at-risk sectors, and trained 96 officials from 31 local authorities in London, 35 Metropolitan police officers, and 66 staff members and volunteers from 27 different supporting organisations working in London, Birmingham, Edinburgh and Manchester, which received strong positive feedback.
8. We continued to engage with key national and international stakeholders on the need to introduce secure reporting mechanisms to ensure that all workers are able to report abuse

without fear, and published a practical guide for police and labour inspectors to take proactive steps towards its implementation.

9. We maintained a strong collaborative approach, continued to expand our networks, and worked in formal partnerships with a wide range of key front-line organisations, trade unions, academic groups, public bodies, and other stakeholders, such as employers, law firms, and funders.
10. We continued to engage the staff team in strategic work and have made excellent progress towards meeting the objectives of our 'Diversity and Inclusion Strategy', including by increasing our team capacity in the area, reviewing our organisational policies, conducting internal assessments, creating a paid Trainee position for a young person on welfare benefits, and strengthening our work with organisations supporting communities at risk.

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

### **Aim 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.

#### **A. Advocating for safer labour migration routes into the UK:**

During this period, FLEX has continued to actively advocate for **safer labour migration routes** into the UK, following the end of free movement with the EU and the opening of new temporary migration programmes. 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, and by identifying actionable solutions. This work has involved maintaining our engagement in advocacy platforms and groups, including the Home Office-led Vulnerability Advisory Group (VAG), an expert panel set up to provide advice on the development and implementation of the UK's post-Brexit immigration system.

The Government's 2018 Immigration White Paper included the **Seasonal Worker Pilot (SWP)**, a temporary migration programme recruiting migrant workers to work in UK farms for six months. Temporary migration programmes of this kind often place significant restrictions on workers' access to and mobility within the labour market, and often lead to worker exploitation. Following publication of FLEX-FMF's [\*Assessment of the risks of human trafficking for forced labour on the UK Seasonal Workers Pilot\*](#) in March 2021, the Scottish Government established an independent helpline for agricultural workers, maintained up-to-date informative tools for workers, worked with local authorities to inspections on caravans in farms, and committed to strengthening legislation on inspections. FLEX also secured a standalone Vulnerability Advisory Group session on the Seasonal Worker's Pilot and, in April 2021, the UK Government updated its guidance for pilot operators to ban



the use of zero-hour contracts on the scheme. The Home Office also committed to developing a comprehensive response to the report's recommendations.

On 24<sup>th</sup> December 2021, Government published the long-awaited review of the first year of the SWP. In January 2022, we published [FLEX's response to the review](#), including concerns related to its findings, the review process, and the general lack of data and poor monitoring of this route. In March 2022, we also wrote a [Letter to Home Office outlining our concerns on risks to Ukrainian nationals on Seasonal Workers' Visa](#). In January 2022, FLEX launched a new project to continue monitoring the impact of the risks on seasonal agricultural workers in England. The project will involve two frontline partners, Rosmini Centre in Cambridgeshire and Citizens Advice in South Lincolnshire.

FLEX has also started researching the risk of exploitation in sectors that have previously been highly reliant on workers from the EU, but which are no longer able to recruit migrants due to the end of free movement. As part of this project, we wrote a journal article on how Brexit-related immigration policy changes are likely to lead to increased irregularity (to be published in June 2022).

Finally, during this period, FLEX also joined a coalition of organisations coordinated by Walk Free to carry out joint advocacy on Brexit and the risk of modern slavery during and after the end of the Transition Period. We led a sub-group on addressing risks and vulnerabilities of migrant workers, which focused on the lack of regular and safe immigration routes for low-paid workers post-Brexit and the risks associated with new short-term work visas. The group has now turned into an information-sharing network. In March 2022, FLEX was invited to join the Home Office's new Overseas Domestic Worker stakeholder group.

### **B. Advocating for improved protection of low-paid workers during and after COVID-19:**

We developed a one-year partnership project with two grassroots unions organising precarious workers: the Independent Workers' Union of Great Britain (IWGB) and United Voices of the World (UVW), which resulted in the publication of [No viable alternatives: Social \(in\)security and risk of labour exploitation during Covid-19](#) in October 2021. The report explores the experiences of migrant workers in low-paid and insecure work during the Covid-19 pandemic, focusing on barriers to accessing employment rights and social protections, and the associated risks of labour abuse and exploitation.

We brought findings from this report to two Human Trafficking Foundation's Modern Slavery Leads Forum meetings and were invited to join as advisory partner to Nottingham Rights Lab research on the impact of Covid-19 on victims of trafficking. FLEX was invited to review and comment on draft employment protection provisions within Liberty's Coronavirus (Rights and Support) proposed bill. FLEX signed the Clean Clothes Campaign and Labour Behind the Label ['PayYourWorkers' campaign](#) which called on fashion brands to honour pre-Covid-19 orders, contribute to a severance guarantee fund for workers in their supply chains and commit to continue paying workers during the pandemic.

### **C. Mitigating the impact of the Nationality and Borders Bill on vulnerable groups:**

FLEX submitted [written evidence](#) to the House of Commons Public Bill Committee, raising concerns around clauses relating to modern slavery identification and support which will make it harder for people to be identified as trafficked and access support. FLEX's submission highlighted the risks of

muddling immigration with victim identification and support measures, the incompatibility with the Modern Slavery Act 2015 and lack of clarity over how this legislative process fits with the ongoing creation of a new Modern Slavery Strategy. We also engaged with the APPG on Trafficking and Slavery, produced parliamentary briefings, and worked with the Detention Taskforce coalition, the Human Trafficking Foundation, and various other stakeholders to brief parliamentarians, the IASC, and other relevant actors.

FLEX worked with partners to support Peers to table amendments to the Bill including around secure reporting and reinstating the rights of Overseas Domestic Worker visa holders which received considerable support, in spite of not being pushing to a vote. It also got on record the opposition to the Government's new Immigration Enforcement Victim's Protocol. FLEX also coordinated a private briefing for the Joint Committee on Human Rights on 'mixed exploitation', highlighting the risks of unintended consequences linked to another proposed amendment to the Bill. Finally, FLEX supported several amendments aimed at mitigating the negative impact of the Bill, including three which were voted in at Lords Committee Stage.

#### **D. Engaging in the Modern Slavery Strategy Review:**

Through its role as co-Chairs of the Home Office's Modern Slavery Strategy Implementation Group on Prevention, FLEX continued to advocate in meetings for the role of labour inspection in addressing exploitation and for prevention to be a key part of the forthcoming new Modern Slavery Strategy. FLEX submitted a [written response](#) to the MS Strategy Review consultation, highlighting the importance of focusing on preventing exploitation rather than on averting stated concerns about abuse of the 'system' and the need for an effective strategy to look at the barriers to reporting crimes and to create options for facilitating secure reporting as well as NRM referrals.

#### **E. Working towards a stronger corporate accountability framework in the UK:**

FLEX has increased its capacity to work on corporate accountability with the aim of helping ensure that workers inform developments in this area. We have engaged with key stakeholders, including the Office of the High Commissioner for Human Rights (OHCHR) Access to Remedy Project and the European Institute for Crime Prevention and Control, and have increased participation with existing networks such as the Ethical Trade Initiative (ETI) and the Corporate Justice Coalition (CJC). FLEX has signed on to the CJC's call for mandatory human rights due diligence (mHRDD) in the UK and submitted responses to the OHCHR, ETI and the British Standards Initiative consultations on issues related to supply chain risk management and exploitation.

#### **Aim 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 about 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 responses to human trafficking for labour exploitation, by advocating for enforcement of labour standards as a central plank of effective anti-trafficking responses.

### **A. Participatory action research in three high-risk sectors (hospitality, app-based deliveries, and social care) evidencing the need for better enforcement of labour rights:**

During this reporting period we have produced several publications evidencing the need for increased oversight of high-risk sectors by labour inspection authorities, highlighting immigration policy as a risk factor for exploitation, and drawing attention to experiences of gendered and racial discrimination at work. This work has included two participatory research working papers and a briefing expanding the available evidence base on experiences and drivers of exploitation in hospitality and app-based delivery work,:

- FLEX 2021 working paper, [\*"To help workers, I would tell the Government to..." Participatory Research with Workers in the UK Hospitality Sector;\*](#)
- FLEX 2021 working paper, [\*"The gig is up": Participatory research with couriers in the UK app-based delivery sector;\*](#)
- FLEX 2021 briefing: [\*Experiences and Drivers of Labour Exploitation for Young Migrant Workers.\*](#)

FLEX has also worked with academics from Nottingham Rights Lab, London School of Hygiene and Tropical Medicine and University of Kent in a participatory research with migrant live-in care workers and personal assistants in London. FLEX has provided guidance on the implementation of the Peer Researcher model, through which the project is engaging care workers as paid and trained peer researchers. The project also works with employers, trade unions and specialist organisations.

### **B. Advocating for the strengthening of the UK's labour market enforcement system:**

In 2019, the UK Government announced its plans to develop a single enforcement body (SEB) to amalgamate and replace the current plural system and run a consultation on these plans. To inform this process, FLEX has continued to work closely with the Office of the Director of Labour Market Enforcement (ODLME), the Gangmasters and Labour Abuse Authority (GLAA), the Low Pay Commission (LPC), the Independent Anti-Slavery Commissioner (IASC) and the Home Office Vulnerability Advisory Group (VAG), sharing our research findings and highlighting the ways in which immigration status and characteristics such as race and gender affect workers' ability to access and enforce their rights.

We secured a meeting of the Home Office Vulnerability Advisory Group (HO VAG) which involved staff from the ODLME in a discussion on immigration-related risks and the need to separate labour market enforcement from immigration enforcement. We continued to work to inform the ODLME by presenting research findings and discussing policy priorities at bi-monthly meetings.

In December 2021, the DLME's annual strategies for [2020/21](#) and [2021/22](#) were published, both highlighting the intersection between immigration policy and risk of labour exploitation, making recommendations on this topic for the first time, and explicitly referencing FLEX's work. Specifically, the 2021/22 strategy calls for the Home Office and the BEIS to commit to 1) regular and ongoing monitoring of the impact of the new immigration system on labour market compliance, and 2) reviewing the interaction between labour market and immigration policies to "ensure sufficient protections for migrant workers and improve intelligence flows via safe reporting structures", and for this thinking to inform the SEB.

In January 2022, we worked with the Gangmasters and Labour Abuse Authority (GLAA) as part of a pilot project in partnership with two frontline organisations (East European Resource Centre and the Latin American Women's Rights Service) (see Aim 3 below).

Finally, during this period we have continued to advocate for increased funding for the UK's severely under resourced labour market enforcement agencies. In October 2021, we published a joint briefing with Unchecked UK on gaps in UK labour market enforcement resulting from under-resourcing, which calls for evidence-based funding to support proactive inspections and draws on our research in cleaning, construction, hospitality, and agriculture.

### **C. Secure reporting:**

In May 2021, following the joint investigation report on the first ever police super-complaint, FLEX was invited to an Immigration Enforcement-led consultation on the Government's response to the super-complaint findings. As part of this engagement, FLEX secured a pro bono legal 'note' from Doughty Street Chambers, which was shared with the Home Office to inform their advice to the Minister, as well as with the IASC. In September, FLEX also featured in a [documentary](#) showing the devastating effects of data-sharing between police and immigration enforcement on trafficking and domestic abuse victims (658 views). The review findings were published by the Government in December 2021, where they announced their decision not to introduce secure reporting. They instead introduced an Immigration Enforcement Victims Protocol, which would pause data sharing while the police investigate cases. Along with partner organisation in the domestic abuse and anti-trafficking sectors, we have roundly rejected the Protocol and claims of safeguarding in [press releases](#), a [joint letter](#) and a [blog](#).

In February 2022, we published [Preventing and Addressing Abuse and Exploitation: A Guide for Police and Labour Inspectors Working with Migrants](#), which outlines practical strategies to increase trust between these agencies and migrant communities to enable migrants to securely report abuse and exploitation and agencies to access valuable intelligence to prevent and address these crimes.

### **D. Victims of trafficking in immigration detention:**

In November 2021, the Home Office created a new body, the Immigration Enforcement Competent Authority (IECA). FLEX coordinated a statement from the Detention Taskforce and wider signatories, condemning the change, which was made without consultation and means that many victims of modern slavery in the UK who lack secure immigration status will not be appropriately identified, protected or supported, and will therefore fear coming forward to the authorities to seek help.

The coalition published a [briefing](#) based on data from an FOI submitted by FLEX shows that 90% of all referrals made on behalf of potential victims of trafficking from immigration detention centres in the last few years have received positive reasonable grounds decisions, with some of the negative decisions later being reconsidered which further increases the positive outcomes. This shows that the Home Office's claims that the support system for victims is being abused is unfounded and demonstrates a pattern of increased detention of trafficking victims since 2017 and more positive decisions being made.

### **E. Working with businesses to strengthen corporate responsibility practice:**

FLEX launched a new project seeking to pilot worker engagement in human rights due diligence assessments. The project will develop a corporate human rights due diligence framework for domestic service sector supply chains, which will be informed by workers' experiences during the pandemic. FLEX will work with the Latin American Women's Rights Service to engage outsourced migrant and ethnic minority women working in cleaning to inform the design of various outputs.

FLEX was also invited to join the Apparel and General Merchandising Public and Private Protocol, a multi-stakeholder group led by the GLAA and the Association of Labour Providers (ALP), set up in response to the cases of exploitation uncovered in the garment sector in Leicester. FLEX is a member of three workstreams (workplace rights, intervention mechanisms and regulation) and has also co-ordinated a sub-group on approaches to undocumented workers with the GLAA and the Home Office's Immigration Enforcement team. FLEX's advocacy engagement has focused on labour inspection.

### **F. Tackling the UK enforcement gap of sexual harassment rules – FLEX's Working Group on Women Workers (WGWW)**

The Working Group on Women Workers is a group of frontline organisations, academics and employment lawyers set up by FLEX to tackle the issue of sexual harassment and gender-based violence in low-paid and insecure sectors. In March 2022, FLEX published a [position paper](#) on gaps in enforcement of sexual harassment rules, which was informed by the views and work of the Working Group on Women Workers.

### **Aim 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.

### **A. Engaging workers in developing knowledge**

We continued implementing our Peer Researcher model, a feminist participatory action research (FPAR) approach to investigate drivers of labour exploitation and to develop better informed policy, working 'with' rather than 'on' the community being researched. Through this model, we have worked with a network of paid peer researchers at every stage, from research design to data collection, analysis and advocacy. Peer researchers received training on research methods, ethics, safeguarding and signposting, as well as ongoing support (see Objective 1).

We have also worked on disseminating the learnings from this work and encouraging others to explore ways to engage workers as Peer Researchers. We have delivered a number of presentations in this area, including one in May 2021, delivered as part of [a series of five webinars](#) on the topic of labour migration from an intersectional feminist lens, which FLEX co-organised with GAATW, Solidarity Centre, [Women in Migration Network](#) and [AWID](#).

### **B. Strengthening the Labour Exploitation Advisory Group (LEAG):**

In May 2021, we welcomed three new LEAG members: Glass Door Homeless Charity, the UK's largest open-access network of emergency winter shelters and support services for people affected by homelessness; the Work Rights Centre, which supports individuals to exit precarious work and equip them with the tools to access fair and lawful employment; and Kanlungan, a frontline service provider and network of frontline organisations supporting East and South East Asian migrants in the UK. We also worked with members to update the LEAG strategy.

### **C. Training statutory bodies and front-line organisations to increase their capacity to identify and respond to labour exploitation:**

During this period, we delivered FLEX's first 'train the trainer' programme for London police officers and local authorities on risk and indicators of Modern Slavery. This work has involved developing a number of resources, including a FLEX Modern Slavery Handbook 2021, an essential document for First Responders.

We have also developed FLEX's bespoke training programme and worked with three front-line organisations supporting communities at risk of exploitation: Roma Support Group, South East and East Asian Centre (SEEAC); and Kanlungan Filipino Consortium. We trained a total of 36 participants through 14 training sessions covering a range of topics, including: employment status, basic employment rights, discrimination, sexual harassment, and identifying and supporting victims of modern slavery, which included information on the National Referral Mechanism. Feedback shows that 82% of participants felt that they've increased their ability to identify cases of labour abuse and exploitation and self-assessed their ability to provide this support and advice as either as good, very good, or excellent as a result of the training. All respondents reported that after the training they had a good, very good or excellent ability to identify potential labour exploitation.

In January 2022, FLEX started delivering a [pilot project](#) in partnership with two frontline organisations (East European Resource Centre and the Latin American Women's Rights Service), with the support of the Gangmasters and Labour Abuse Authority (GLAA), which aimed to improve understanding of labour exploitation in the cleaning sector among frontline organisations supporting workers, the GLAA, and workers themselves, as well as to increase collaboration between frontline organisations and the GLAA. FLEX delivered in-person training sessions to community organisations, statutory services and trade unions and worked with the GLAA Prevention Team to engage local officers from their four syndicate areas in outreach to these groups in London, Birmingham, Manchester and Edinburgh. This work involved producing training resources and establishing an online learning platform, while project partners delivered a [digital campaign](#) to workers in cleaning in various languages. Participants reported improved understanding of labour exploitation in cleaning and greater awareness of the GLAA's role and remit.

#### **D. Supporting the wider movement:**

FLEX is member of key international advocacy networks, including GAATW, LaStrada International, and PICUM. In the UK, FLEX is a member of the Ethical Trading Initiative, the Corporate Justice Coalition, the Anti-trafficking Monitoring Group, the Human Trafficking Foundation forums, Trust for London's Employment Legal Advice Network, the BME Anti-Slavery Network (BASNET), and a supporter of Unchecked UK.

During this period, FLEX worked in collaboration with key partners on 16 advocacy campaigns and joined actions in support of the wider movement for change. For instance, FLEX and HTF co-wrote a letter to London's Mayoral candidates inviting them to commit to prioritising the prevention and responses to human trafficking, as well as five key action points, including the delivery of the first ever dedicated strategy to tackle exploitation in the capital and promotion of secure reporting, among other asks. The pledge was signed by all five main mayoral candidates in London, including Sadiq Khan who was re-elected.

As part of our work with PICUM, we contributed to their Work Permit Schemes brochure and to the work of their Labour Rights Taskforce, feeding into their strategy. During this period, we also joined the BME Anti-Slavery Network (BASNET) and provided feedback to BASNET's Equality, Diversity and Inclusion Strategy for the anti-trafficking sector. As members of ELAN, we engaged with Trust for London on the development of a secondment at the GLA (London), which focuses on migrant workers' labour exploitation.

We worked with trade unions, international organisations, and with funders to increase understanding of the impact of Covid-19 and the new immigration system on workers in low pay. We also joined 140+ groups calling on the Department of Health and Social Care to take further action to ensure that everyone, regardless of immigration status, can access the Covid-19 vaccine.

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

The FLEX team held a strategy day to reflect on the progress made towards the aims of its Business Plan 2020-2025 and the contextual changes affecting its work. We also continued working towards meeting the objectives of our 'Diversity and Inclusion Strategy', which in this period included receiving training; reviewing our organisational policies; conducting assessments and identifying internal diversity targets; creating a paid Trainee position for a young person on welfare benefits; and developing and fundraising for a number of new projects working jointly with organisations supporting communities at risk, including via FLEX's new training programme.

This objective also relates to ensuring a healthy and productive working environment for FLEX staff. To this end, during this period we initiated a FLEX Wellbeing at Work Working Group with the aim of developing a new mental health policy and continued reflecting on and responding to the impact of COVID-19 on staff wellbeing. We also created and recruited for three new roles: a Training Officer, a Business Accountability and Engagement Lead, and a Policy Trainee.



**FLEX has provided background information to numerous press pieces and featured in the media 23 times, including the following pieces:**

- [The Ferret](#) – 18.04.21 – on the decision of a supermarket chain to carry out welfare checks on migrant farm workers
- [The Grocer](#) – 02.07.21 – on the impact of labour shortages on workers' safety
- [Morning Star](#) – 13.07.21 - on exploitation in the hospitality sector
- [BBC Countryfile](#) – 3.10.21 - investigation into risks of exploitation in agriculture.
- [The Guardian](#) 12.10.21 – on the lack of safe labour migration routes and labour shortages
- [Sky News](#) – 29.10.21 – Exclusive on FLEX report on Covid-19 ([article](#) and [news segment](#))
- [Independent](#) - 12.11.21 - on the new Immigration Enforcement Competent Authority.
- [Guardian](#) – 26.01.22 – on the rise in number of trafficking victims in UK immigration detention
- [Independent](#) 03.03.22 – on Ukrainians facing risk of exploitation by human traffickers.
- [Byline Times](#) – 08.03.22 – on victims of crime being referred to Immigration Enforcement.
- [Guardian](#) – 28.03.22 – on our joint call for help for Ukrainian seasonal workers.

**We have posted 23 blogs and news pieces on our website, including 5 guest blogs written by front line organisations (Work Rights Centre, Glass Door, LAWRS, Kalayaan and Voice of Domestic Workers), and direct testimonies from 3 people with lived experience (two former agricultural workers and a survivor identified through research).** Working with a comms expert and consulting with internal and external contacts, we developed a more comprehensive Comms Strategy. In January 2022, we began working on the development of a new website, which will include more resources for stakeholders, as well as a new training platform.

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.

We developed new partnership projects with over 12 organisations, including the East European Resource Centre, the grassroots trade unions Independent Workers of Great Britain (IWGB) and the United Voices of the Word (UVW), and various LEAG members working in London; Rosmini Community Centre in Cambridgeshire, and Fife Migrants Forum in Scotland. We also joined four partnership projects with academics from Nottingham University Rights Lab, Exeter University, and UCL.

### **Financial review**

The charity's income increased to £467,119 (2021: £413,831). The charity was able to increase the number of grants in the year including working with new funders.

Total expenditure was £386,310 (2021: £316,252) resulting in a net surplus for the year of £80,809 and total reserves of £336,236. Unrestricted reserves increased to £253,011 (2021: £131,960).



### **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 £253,011. The Trustees designated £25,000 of unrestricted reserves to support enhanced paternal leave and sickness pay. The remaining unrestricted reserves are £228,011, which is in line with the reserves target, to cover 3 months operating cost (£96,456). The unrestricted reserves have increased in the current year due to grants providing contributions towards core costs, these grants also cover costs in the 2022-23 financial year.

The Trustees are confident that the charity has adequate resources to operate for the foreseeable future due to 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 2023 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, engaging people with lived experience, increasing stakeholders capacity to prevent, identify and address exploitation; and building networks and opportunities for international advocacy. For 2022/23, some of the key areas of focus for FLEX will include:

- Continuing evidencing the risks of the new immigration system and working to inform safer labour migration routes, and actively engaging in advocacy work to increase understanding of these risks and improve protections for workers;
- Continuing FLEX's research and participatory work in high-risk labour sectors, including those impacted by labour shortages and the end of free movement, such as agriculture and social care;
- Engaging in key advocacy processes, including the Modern Slavery Strategy review, ad-hoc schemes for Ukrainian nationals, the Human Rights Act and the proposed off-shoring of asylum seekers to Rwanda;
- Continuing to develop our networks outside of London and investing in increasing mutual capacity to jointly work towards preventing labour exploitation;
- Piloting a project to explore mechanisms for a stronger worker engagement approach to corporate accountability;
- Increasing our visibility through high-profile strategic communications work and celebrating FLEX's 10th Anniversary!

## 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

Elected Trustees Peter Andrews  
Vash Arora  
Claire Falconer  
Rachel Hewitt  
Ian Robinson  
Jane Ellis (resigned 24<sup>th</sup> March 2022)  
Dora-Olivia Vicol (appointed 24<sup>th</sup> March 2022)

## 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 salary of the Executive Director and sets pay scales for all 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 salary of the Executive Director and pay scales, and make recommendations to the Board.

***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

DATE: 21 September 2022

## **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 2022 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 2022 and of its incoming resources and application of resources, including its income and expenditure, for the 31 March 2022 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  
9 Hare & Billet Road  
Blackheath  
SE3 0RB

Date: 13 October 2022



## Statement of Financial Activities for the year ending 31 March 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
<b>Income:</b>					
Donations	3	134,756	318,036	452,792	405,450
Income from other trading activities:					
Consultancy fees		14,235	-	14,235	8,288
Investment income	4	92	-	92	93
<b>Total income</b>		<b>149,083</b>	<b>318,036</b>	<b>467,119</b>	<b>413,831</b>
<b>Expenditure</b>					
<i>Expenditure on charitable activities:</i>	5	28,032	358,278	386,310	316,252
<b>Total expenditure</b>		<b>28,032</b>	<b>358,278</b>	<b>386,310</b>	<b>316,252</b>
<b>Net movement in funds for the year</b>		<b>121,051</b>	<b>(40,242)</b>	<b>80,809</b>	<b>97,579</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		131,960	153,467	285,427	187,848
<b>Total funds carried forward</b>		<b>253,011</b>	<b>113,225</b>	<b>366,236</b>	<b>285,427</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 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	9	1,636	833
<b>Total Fixed Assets</b>		<u>1,636</u>	<u>833</u>
<b>Current assets</b>			
Debtors	10	73,045	70,690
Cash at bank and in hand		348,094	235,409
<b>Total Current Assets</b>		<u>421,139</u>	<u>306,099</u>
<b>Liabilities</b>			
Creditors falling due within one year	11	(56,539)	(21,505)
<b>Net Current assets</b>		<u>364,600</u>	<u>284,594</u>
<b>Total assets</b>		<u>366,236</u>	<u>285,427</u>
<b>The funds of the charity:</b>			
Designated funds		25,000	-
Unrestricted funds		228,011	131,960
Restricted funds	12	113,225	153,467
<b>Total charity funds</b>		<u>366,236</u>	<u>285,427</u>

The accounts are prepared in accordance with the Companies Act 2006 and the Charities Act 2011. These accounts are prepared in accordance of the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

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

Adam Weiss, on behalf of the trustees

Approved by the trustees on 22 September 2022

## 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 2021

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

### 3. Donations

	2022	2021
	£	£
Barrow Cadbury Trust	31,500	30,000
Esmee Fairbairn Foundation	-	63,150
Trust for London	20,025	52,000
John Ellerman Foundation	37,656	-
Joseph Rowntree Charitable Foundation	32,720	-
Justice Together	2,195	-
The Oak Foundation	72,216	66,668
Unbound Philanthropy	40,000	45,000
Paul Hamlyn Foundation	49,200	70,000
Ethical Trading Initiative	3,293	3,100
City Bridge Trust	18,420	18,420
Awards for All	-	10,000
MOPAC	23,518	-
The Home Office	75,050	-
The Scottish Ministers	10,000	33,192
Ethos Foundation	10,000	10,000
AB Charitable Trust	20,000	-
Kickstart grant	6,565	-
Government grant	-	1,594
Other gifts	434	2,326
	<u>452,792</u>	<u>405,450</u>

Total donations were £452,792 of which £134,756 (2021: £103,331) was unrestricted and £318,036 (2021: £302,119) was restricted.

### 4. Investment income

	2022	2021
	£	£
Interest received	92	93
	<u>92</u>	<u>93</u>

## 5. Analysis of expenditure on charitable activities

Description	Charitable Activities	2022	2021
	£	£	£
Direct costs	93,804	93,804	76,634
Direct salary costs	251,480	251,480	195,557
Depreciation	1,247	1,247	1,246
Support costs:			
<i>Rent</i>	24,457	24,457	23,308
<i>Financial consultancy</i>	5,200	5,200	4,979
<i>Other consultancy</i>			2,325
<i>Payroll and recruitment costs</i>			506
<i>Travel &amp; accommodation</i>	227	227	21
<i>Insurance</i>	1,742	1,742	655
<i>General office</i>	3,153	3,153	4,520
<i>Audit fee/Independent examination</i>	5,000	5,000	6,500
Total	386,310	386,310	316,252

Expenditure on charitable activities was £386,310 of which £28,032 (2021: £71,585) was unrestricted and £358,278 (2021: £244,667) was restricted.

The amount paid to the auditor for their external scrutiny was £4,800 (2021: £4,800).

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

	2022	2021
	£	£
Salaries and wages	228,306	178,263
Social security costs	17,972	13,285
Pension costs	5,202	4,009
	<u>251,480</u>	<u>195,557</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 (2021: nil).

The key management personnel comprises the Chief Executive and their total benefits during the year were £57,613 (2021 - £56,500).

## 7. Staff numbers

The average monthly head count was 7 staff (2021: 6 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year was 7 (2021: 6)

## 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 2021	1,038	8,019	9,057
Additions	-	2,050	2,050
Cost at 31 March 2022	<u>1,038</u>	<u>10,069</u>	<u>11,107</u>
Depreciation			
At 31 March 2021	1,038	7,186	8,224
Charge for the year	-	1,247	1,247
At 31 March 2022	<u>1,038</u>	<u>8,433</u>	<u>9,471</u>
Net book value			
At 31 March 2022	<u>-</u>	<u>1,636</u>	<u>1,636</u>
At 31 March 2021	<u>-</u>	<u>833</u>	<u>833</u>

## 10. Debtors

	2022 £	2021 £
Trade Debtors	14,250	300
Prepayments and accrued income	<u>58,995</u>	<u>70,390</u>
	<u>73,045</u>	<u>70,690</u>

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

	2022 £	2021 £
Trade Creditors	40,608	1,370
Accruals	5,150	14,156
-Taxation and social security	7,101	4,935
Other creditors	3,680	1,044
	<u>56,539</u>	<u>21,505</u>



## 12. Movement in 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	Balance at 01-Apr 2021	Incoming resources	Resources expended	Transfer	Balance at 31-Mar 2022
	£	£	£	£	£
<b>Restricted funds</b>					
Barrow Cadbury Trust	19,825	31,500	(30,319)	-	21,006
Trust for London	13,867	20,025	(33,892)	-	-
Paul Hamlyn Foundation	37,509	49,200	(44,131)	-	42,578
Unbound Philanthropy	17,130	40,000	(30,302)	-	26,828
The Scottish Ministers	-	10,000	(10,000)	-	-
Ethical Trading Initiative	1,100	3,293	(3,568)	-	825
Esmee Fairbairn Foundation	29,500		(29,500)	-	-
COVID 19	21,464		(21,464)	-	-
MOPAC	-	23,518	(23,518)	-	-
The Home Office	-	75,050	(75,050)	-	-
Joseph Rowntree Charitable Foundation	-	32,720	(18,976)	-	13,744
City Bridge Trust	13,072	18,420	(23,248)	-	8,244
Oak Foundation	-	5,550	(5,550)	-	-
Kickstart grant	-	6,565	(6,565)	-	-
Justice Together	-	2,195	(2,195)	-	-
<b>Total restricted funds</b>	<b>153,467</b>	<b>318,036</b>	<b>358,278</b>	<b>-</b>	<b>113,225</b>
<b>Unrestricted</b>					
Unrestricted general fund	131,960	149,083	(28,032)	(25,000)	228,011
<b>Designated</b>					
Enhanced leave fund	-	-	-	25,000	25,000
<b>Total funds</b>	<b>285,427</b>	<b>467,119</b>	<b>330,246</b>	<b>-</b>	<b>366,236</b>

The trustees approved the designating of £25,000 during the year. This fund will be used to provide enhanced paternal and sick leave payments.

Prior period	Balance at	Incoming	Resources	Balance at
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	01-Apr 2020	resources	expended	31-Mar 2021
<b>Restricted funds</b>	£	£	£	£
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
<b>Total restricted funds</b>	<b>96,015</b>	<b>302,119</b>	<b>(244,667)</b>	<b>153,467</b>
<b>Unrestricted</b>				
Unrestricted general fund	91,833	111,712	(71,585)	131,960
<b>Total funds</b>	<b>187,848</b>	<b>413,831</b>	<b>(316,252)</b>	<b>285,427</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
- 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 horticulture sector.
- 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.
- MOPAC: to provide training to ensure professional are able to spot the signs of modern slavery and human trafficking
- Home Office: to provide an awareness raising campaign for the cleaning industry
- Joseph Rowntree Charitable Foundation: to develop and pivot a worker-driven model for assessing corporate human rights due diligence and provide a trial
- City Bridge Trust: to build capacity of organisations supporting London communities at risk of labour exploitation, modern slavery and trafficking.
- Oak Foundation: funding to support the cost of the annual audit
- Kickstart grant: funding towards the salary of an apprentice
- Justice Together: to fund work to make current and future short-term work visas fairer and safer

### 13. Analysis of net assets between funds

Unrestricted	Restricted	Total
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	Funds £	Funds £	£
Funds balances at <b>31 March 2022</b> are represented by:			
Tangible Fixed Assets	1,636	-	1,636
Current Assets	268,064	153,075	421,139
Creditors: amounts falling due within one year	(16,689)	(39,850)	(56,539)
	<u>253,011</u>	<u>113,225</u>	<u>366,236</u>

	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>