

Focus on Labour Exploitation
(A company limited by guarantee)
Report and Financial Statements
For the year ended 31 March 2023

Charity registration no 1159611

Company registration no 08451701

Focus on Labour Exploitation

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 19
Statement of Trustees' Responsibilities	19-20
Independent Examiner's Report	21-22
Statement of Financial Activities	23
Balance Sheet	24
Notes to the Financial Statements	25 to 33

Reference and administrative details

Trustees	Peter Andrews Vash Arora Claire Falconer Rachel Hewitt Shereen Hussein (appointed 21 September 2022) Ian Robinson Dora-Olivia Vicol Adam Weiss
Principal Office	The Foundry 17 Oval Way London SE11 5RR
Charity number	1159611
Company number	08451701
Bankers	Triodos Bank Deanery Road Bristol BS1 5AS The Co-operative Bank 1 Balloon Street Manchester M60 4EP
Independent Examiner	Field Sullivan Limited 9 Hare & Billet Road Blackheath SE3 0RB

Focus on Labour Exploitation

Report of the trustees for the year ending 31 March 2023

The trustees present their report and accounts for the year ended 31 March 2023.

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 2022/23, 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, business engagement, and evidence-based advocacy aimed at preventing labour abuses, protecting the rights of those affected, and promoting best practice policy responses to labour exploitation. FLEX also conducts strategic comms work to inform the ways in which labour exploitation is spoken about and delivers bespoke training to supporting organisations directly in contact with workers at risk and to statutory agencies.

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. We are 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 achievements 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 social care and agriculture; directly informing the work of key statutory bodies, including the Migration Advisory Committee, the Independent Chief Inspector of Borders and Immigration, the Director of Labour Market Enforcement, and others.
2. FLEX's research findings on the **Seasonal Worker Scheme** and ongoing engagement with the Home Office and DEFRA continued to evidence the need for better governance of the scheme and improved conditions for workers and grievance mechanisms. In February 2022, the UK Government introduced the requirement to guarantee at least 32 hours of paid work a week to workers 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 two external research teams to adopt this methodology.
4. We have proactively responded to labour exploitation risks in the UK arising from **the war in Ukraine** by working with partners to reach out to Ukrainian workers on the Seasonal Worker Visa to provide them with information and support, by advocating for the Ukraine schemes to also protect works on this route, and by developing a bespoke training programme for local authorities tasked with supporting Ukrainian guests under the Home for Ukraine scheme. In March, the Government announced the introduction of the Ukraine Extension Scheme, which offered many Ukrainians, including those on the Seasonal Worker Visa, the ability to work in any sector, access public funds and to study. This extension option will do much to prevent exploitation.
5. We started implementing a **new corporate accountability pilot project** that will engage workers in the development of a human rights due diligence assessment framework for domestic service sector supply chains.
6. **We continued developing our training offer** for statutory bodies and front-line organisations supporting workers and communities represented in at-risk sectors, and trained 40 officials from local authorities across the UK on how to identify risks of exploitation on the Ukraine scheme, and 54 staff members and volunteers from 4 front line organisations working in London.
7. We continued to mobilise support for the introduction of **secure reporting** mechanisms to ensure that all workers are able to report abuse without fear, with recommendations on secure reporting included in the Justice Committee's pre-legislative scrutiny of the Victims Bill, and submissions to the US State Department, the UN Special Rapporteur on migrants, and the OSCE Special Representative for Combating Trafficking in Human Beings. Secure reporting was adopted by several key stakeholders, including academics, statutory offices, and NGOs from the anti-trafficking and migrants' rights sectors.
8. 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.

9. We continued to engage the **staff team in strategic work**. This year we developed a Staff Wellbeing policy and introduced an Employee Assistant Programme (EAP). We conducted a review of our 'Diversity and Inclusion Strategy' to assess the progress made and identify new targets. We also reviewed most of our HR policies and introduced significant improvements to our working conditions related to annual leave entitlements and TOIL; occupational sick pay; enhanced maternity, paternity and adoption pay; pension contribution and others.
10. Finally, to mark **FLEX's 10th Anniversary**, we refreshed our image and launched our **new website**, with thematic pages on our different areas of focus, an improved search tool to browse our publications more easily, and a brand-new training portal with learning resources for workers and training participants.

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.

The political and policy context has been considerably unstable during this period, with government, and the Home Secretary in particular, continuing to use anti migration rhetoric and to promote increased immigration enforcement as a response to trafficking and modern slavery. This has impacted planning for policy and legislative work as government priorities change. There has been no legislative progress on the expected Employment Bill, Victims Bill, and Modern Slavery Bill; while the Bill of Rights and the development of the new Modern Slavery Strategy has been put on hold after months of stakeholder engagement. During this period, FLEX has strengthened its engagement in international advocacy by providing evidence to the Universal Periodic Review, the US Trafficking in Persons report, the UK's consultation event on the Global Compact on Migration, and by engaging with various UN Special Repertoires.

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. We have done this by engaging in policy processes and advocacy platforms, as well as by conducting further 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), currently

the Future Border and Immigration System (FBIS) Advisory Groups, an expert panel set up to provide advice on the development and implementation of the UK's post-Brexit immigration system; as well as the Home Office's Overseas Domestic Worker stakeholder group, which was set up to identify opportunities to mitigate risks on this route. Disappointingly the group has not met since October 2023 and Home Office officials have not replied to any emails regarding the group since this time. We have continued to work with colleagues including Voice of Domestic Workers, Kalayaan, Nanny Solidarity Campaign and ATLEU to ensure that the government fulfils its commitment made in March 2022 to scrap the Family Worker Exemption.

In December 2022, the UK Government announced the expansion of the Seasonal Worker Visa (SWV) allocation to 45,000 visas for 2023, together with a possible 10,000 additional visas providing certain criteria are met, and with another 2,000 even shorter-term visas for poultry. The rapid growth of the scheme remains a concern due to its speed, the lack of checks and balances or redress for workers.

During this period, FLEX continued monitoring the impact of the risks on seasonal agricultural workers through a partnership project conducted with two frontline organisations: Rosmini Centre, in Cambridgeshire, and Citizens Advice South Lincolnshire. The project involves conducting outreach to workers, providing support and documenting their experiences as seasonal workers. FLEX has also conducted a series of interviews with relevant stakeholders. We have also joined two additional projects focusing on mitigating risk factors in this scheme: one led by an academic team looking to compare the newly introduced routes into agriculture and social care; and another one led by a small farmers' association focusing on supply chain dynamics in the agricultural sector and the legal discriminations faced by migrant workers.

On the other hand, 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 published an academic journal article entitled 'The making of irregular migration: post-Brexit immigration policy and risk of labour exploitation', which was published in the *Journal of Poverty and Social Justice*.

Drawing on this evidence we have actively engaged in advocacy work and submitted written evidence to several enquiries and consultations, including the EFRA Committee's inquiry into labour shortage, to the Independent Chief Inspector of Border and Immigration (ICIBI), Migration Advisory Committee (MAC), and to the UN Special Repertoire on Slavery to inform their report on the informal economy. This work resulted in the following key outcomes:

- The MAC's Annual Report 2022 included a chapter on risk of exploitation resulting from policy design and cited concerns with the Seasonal Agricultural Scheme. This follows ongoing work and engagement from FLEX, including presenting to MAC commissioners on how immigration policy can create risks of labour exploitation. The MAC will conduct an inquiry into the Seasonal Worker visa (SWV) in the coming year.
- The 2022 ICIBI's report on their inspection of the immigration system as it relates to agriculture highlighted significant issues around communication between the Home Office and relevant stakeholders, as well as issues of compliance with scheme rules. It also identified

a lack of clarity around responsibility for the scheme and failure to follow up on reports of abuse made by workers.

- In February 2022, government introduced the requirement to guarantee at least 32 hours paid work a week to workers on the SWV route.

B. Responding to labour exploitation risks in the UK arising from the war in Ukraine:

Following the invasion of Ukraine, FLEX coordinated a letter to the Home Secretary and the Minister, co-signed by members of the then VAG, highlighting risks to Ukrainian nationals on the SWV. At the time the government had announced they would work with employers to extend the visas of all Ukrainians on the SWV until December 2022. However, the visas would remain in the same terms. This meant that there would be no recourse to public funds, no option to switch employment to outside of the scheme or option to bring family members to safety. We noted that 19,920 SW visas issued in 2021 (67% of the total) were to Ukrainian nationals. On 29th March, the Government announced the introduction of the Ukraine Extension Scheme, which offered many Ukrainians, including those on the Seasonal Worker Visa, the ability to work in any sector, access public funds and to study will do much to prevent exploitation.

We have also started reaching out to Ukrainian nationals on the seasonal workers visa to provide information and support and identify emerging risks, such as risk of irregularity due to workers leaving the farms while unable to switch onto a different visa route. In response to the risks associated with other routes, we developed and started delivering a training programme aimed at increasing local authorities understanding for the risks of exploitation in the Ukraine Schemes, in order to ensure that the teams conducting home visits are well equipped to identify indicators of modern slavery. In addition, FLEX was invited to join the Home Office's Safeguarding group for the Homes for Ukraine Scheme. This time limited group, which met when the Scheme was 6 months old, allowed us to inform safeguarding and the future of the Homes for Ukraine sponsorship scheme.

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

The regulations for the Nationality and Borders Act were rapidly drafted and put to parliament in July 2022. These concerned the definition of 'victim'. FLEX briefed parliamentarians on the importance of compliance with international ECAT definitions and the risks of an increased threshold. The regulations passed but there was strong concern regarding these points raised in the Lords who passed a motion of regret, securing a commitment that the regulations would be reviewed regularly.

The new statutory guidance requires potential victims of trafficking to have 'objective evidence' of their trafficking ahead of an initial identification decision. This raising of the initial evidence threshold will shut victims out from accessing any support and risk people being trapped in exploitation or even discredited due to receiving a negative decision. It will mean in practice that it is far less likely that any victims are identified if they don't have independent support. This evidence requirement compounds the longer-term issue of there being too few non statutory First Responder organisations able to refer into the UK's identification system. The increased threshold will mean more unfunded work prior to an initial referral and mean fewer individuals can be supported or referred in practice. We have raised

this in a blog and through the Detention Taskforce and supported LEAG member Kalayaan to highlight how this will compound the already pressing issue of First Responders' capacity.

D. Engaging in the Modern Slavery Strategy Review:

All NGO co-Chairs of the Home Office's Modern Slavery Strategy Implementation Groups and the usual functioning of these groups were put on hold for the Home Office to engage with stakeholders in the development of the new Modern Slavery Strategy, which has not been published yet.

E. Universal Periodic Review:

FLEX coordinated an anti-trafficking sector submission for UK Universal Periodic Review. We have worked with the Global Alliance Against Trafficking in Women and ASI to produce fact sheets for their influencing work in Geneva in September. The review took place in November and several recommendations from our joint submission were included within the stakeholder report in relation to ODWs and seasonal workers, the need for a Business Human Rights & Environment Act, poor labour market enforcement and the number of victims of trafficking in immigration detention. In total, 27 states made recommendations for the UK to strengthen the protections for migrant workers, 18 specifically recommended that the UK ratify the Migrant Workers Convention, and 13 states made recommendations about combating trafficking in persons. This includes a recommendation from the US that the UK *"take[s] steps to ensure migrant workers are not left vulnerable to abuse and exploitation from employers and the UK visa system."* The UK confirmed its support for this recommendation in its response to the recommendations published 24th February 2023.

F. Working towards a stronger corporate accountability framework in the UK:

During this period, FLEX worked in support of the Business, Human rights and Environment Act, also known as mHREDD law, with liability provisions based on the 'failure to prevent' model. We also started advocating for mandatory worker engagement in any future laws introduced by the UK Government in response to the Transparency in Supply Chains consultation (2020). Finally, we continue to work as an active member of the Ethical Trading Initiative and joined the Corporate Justice Coalition's Campaign and Advocacy Group to engage in discussions related to strategy and political advocacy to introduce UK binding legislation on corporate transparency.

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 high-risk sectors evidencing the need for better enforcement of labour rights:

FLEX worked with academics from Nottingham Rights Lab, London School of Hygiene and Tropical Medicine and University of Kent in a participatory research project 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 worked with employers, trade unions and specialist organisations. The report '[The vulnerability of paid migrant live-in care workers in London to modern slavery](#)', was published in August 2022 and received a lot of media and policy interest. FLEX also shared initial findings with the Migration Advisory Committee, who included them in their report to the government on immigration policy for the social care sector. In exit interviews, Peer Researchers have spoken about how much they have enjoyed the research process and have all expressed an interest to engage in sharing the findings with policy makers and participating in future research.

During this period, FLEX also started working in collaboration with the Young Foundation on a participatory research project on access to advice services for migrant workers in London, commissioned by the Greater London Authority. The aim of this project is to increase understanding of the support and advice services on offer to migrant workers in London, and consequently develop a strategy to improve access to advice and support for migrant workers experiencing abuse and exploitation in London. This project uses a Feminist Participatory Action Research (FPAR) approach. FLEX assisted with hiring and training six peer researchers across the adult social care, hospitality, and cleaning. The report will be published in 2023.

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

During this period, we continued to engage in advocacy work towards improving the UK's labour market enforcement system, including by informing the strategy of the newly appointed Director of Labour Market Enforcement (DLME), as well as via ongoing advocacy work with the Gangmasters and Labour Abuse Authority.

The expected Employment Bill was not included in the legislative timetable. However, the issue of Labour Market Enforcement is key in the context of the continued use and expansion of short-term visas, the terms of which prevent the exercising of many employment rights, and international recruitment which brings issues around international jurisdiction and accountability. FLEX engaged in a research project on the creation of a Single Enforcement Body by Rights Lab and the Office of the Independent Anti-slavery Commissioner, which resulted in a report published in February 2023, which includes a number of recommendations for a Single Enforcement Body. FLEX also met with the Shadow Minister on Immigration where they highlighted the need for a SEB and challenges with the current labour market enforcement system in the UK.

FLEX started working with an academic team from UCL on a project aiming to conduct an assessment of the nature and scale of labour market non-compliance in the UK, which was commissioned by the UK's Director of Labour Market Enforcement (DLME). This project aims to enable more evidence-informed policy and practice in this space and will run from June 2022 until December 2024 and will cover all of the UK's four nations. The research is being co-funded by the Department for Business, Energy and Industrial Strategy (BEIS) and the Economic and Social Research Council (ESRC). FLEX's role

is to advise and facilitate worker engagement by organising worker advisory groups that will help inform the scope of the research, the design of the survey tool, and other elements of the project.

C. Secure reporting:

LEAG conducted meetings with various Labour Market Enforcement Authorities to develop our understanding of how they currently engage with migrant workers and to engage in soft advocacy on the need for secure reporting. We have also continued to advance the need for secure reporting in conversations with Labour parliamentarians and party officials such as in meetings with the Labour Home Affairs team and various MPs.

Wider secure reporting advocacy has included submissions to the US State Department, the UN Special Rapporteur on migrants as well as during the academic event Between Modern Slavery and Decent Work. In October, recommendations on secure reporting were included in the Justice Committee's pre-legislative scrutiny of the Victims Bill following the submission of evidence in June 2022. FLEX raised the need for secure reporting with the OSCE Special Representative for Combating Trafficking in Human Beings in November.

LEAG has also worked with others to ensure a collective call for secure reporting. For instance, the Rights Lab and IASC report on a potential Single Enforcement Body contains a section on the need for secure reporting. In November, Hope for Justice circulated the joint FLEX/LAWRS guide for police and local authorities to community engagement and training teams. LEAG also added its name to a JCWI led briefing on secure reporting which will be used for advocacy purposes, and published in December 2022. The briefing contains extensive reference to FLEX and LEAG's work on secure reporting.

Finally, LEAG has been working on a publication that aims to illustrate the concept of the 'continuum' or the link between severe forms of labour exploitation and less severe forms of workplace abuse. The publication was supported by the Independent Anti-slavery Commissioner and will consist of a series of case studies, co-produced by survivors of exploitation and their caseworker.

D. Taskforce on Victims of Trafficking in Immigration Detention (Detention Taskforce)

During this period, the Detention Taskforce, Chaired by Helen Bamber Foundation, and coordinated by FLEX, continued to challenge and unpick unevidenced government claims around victims of trafficking 'misusing' the UK's modern slavery systems with alleged 'fraudulent trafficking claims'.

In December, the Taskforce submitted its response to the Joint Committee on Human Rights' inquiry on the human rights of asylum seekers highlighting gaps in data, the impact of detention on victims of trafficking, and raising concerns about the GPS tagging of victims of trafficking preventing access to safehouses.

E. Working with businesses to strengthen corporate responsibility practice:

FLEX is leading 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 this period, FLEX examined over 40 publicly available assessment tools developed for different industries with the aim of developing a tool to identify, prevent, mitigate and account for risks and impacts in service sector supply chains. We also worked with the Latin American Women's Rights Service to engage outsourced migrant and ethnic minority women working in cleaning, and held meetings with various companies procuring cleaning services. Two corporate partners were recruited as pilot participants.

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, as well as to challenge unevidenced rhetoric around slavery and the UK's systems being too generous or 'abused'.

A. Engaging workers in developing knowledge

FLEX developed and implemented a 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.

During this period, we continued disseminating the learnings from this work and encouraging others to explore ways to engage workers as Peer Researchers. We partnered with two research teams to guide and support their use of this methodology. The first project focused on migrant live-in care workers and personal assistants in London, and was conducted with academics from Nottingham Rights Lab, London School of Hygiene and Tropical Medicine and Oxford Brookes University. The other project was led by the Young Foundation and focused on improving access to advice and support for migrant workers experiencing abuse and exploitation in London.

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

FLEX secured an additional grant to implement LEAG's plans to produce a report compiling case studies that could help document the spectrum of experiences workers may face in the labour market, evidencing the links between more severe forms of abuse and lower level issues of non compliance with labour laws and standards (see Aim 2 for more information about LEAG's work).

During this period, FLEX joined the Mayor's Equality Diversity and Inclusion Advisory Group in representation of the MRAP (the Mayor of London's Migration and Refugee Advisory Panel). The EDI seeks to shape, influence and guide the delivery of the Mayor's EDI strategy through consultation with key stakeholders.

C. Working Group on Women Workers, focusing on sexual harassment:

The Working Group on Women Workers is a 'task and finish' stakeholder group made up of academics, trade unions, legal experts, migrant community organisations, and other civil society actors. The group is dedicated to understanding and addressing specific workplace risks and types of gender-related abuse that can put women workers at risk of exploitation.

During this period, the group was convened to discuss gaps in enforcement of sexual harassment rules. This work resulted in the publication of a position paper and several joint advocacy meetings with different labour market enforcement bodies. The position paper is available [here](#).

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

FLEX delivers a bespoke **training programme for front line organisations** that aims to build their capacity to identify and support beneficiaries with employment issues across the continuum of exploitation, including employment rights issues, identifying and referring potential modern slavery, and accessing specialist advice and support.

This year, we trained four partner organisations: Indoamerican Refugee and Migrant Support Organisation (IRMO), Asian Women's Resource Centre (AWRC), Helen Bamber Foundation, and The Voice of Domestic Workers. These organisations reflect this project's aim to work with those supporting groups of workers who are less likely to access mainstream support services on employment issues, such as migrant workers.

In addition, following our **awareness raising project focusing on the cleaning sector**, delivered in partnership with the EERC and LAWRS, with the support of the GLAA, FLEX produced a video which the GLAA has incorporated into their accredited learning models on how to prevent labour exploitation, which is offered to young people completing vocational training via colleges. Learnings from this project were shared at a roundtable with senior GLAA staff, including its CEO, and presented to the GLAA's NGO worker forum with a view to developing practical processes to increase prevention work, including through clear reporting pathways.

During this period, we also developed and launched a new training project for local authorities focused on identifying and dealing with **risks of labour exploitation for displaced Ukrainians** arriving or remaining in the UK on the various schemes government opened in response to the invasion of the country. In preparation for this work, we held various listening sessions with local authority staff, police, NGO representatives and others engaged in support for Ukrainians. Many local authorities are overwhelmed with Ukrainians requiring their support and there is a need for increased understanding of risks of exploitation in this context.

Finally, FLEX has responded to training requests from local authorities and the Greater London Authority.

E. 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 (ELAN), the BME Anti-Slavery Network (BASNET), and a supporter of Unchecked UK.

During this period, FLEX worked in collaboration with key partners on numerous joint advocacy actions in support of the wider movement for change, including 25 joint letters. For instance, FLEX joined over 50 leading human rights organisations led by Liberty, Human Rights Watch and the Trade Union Congress in response to Governments' new anti-strikes laws.

During this period, FLEX took a more proactive role in coordinating efforts across sectors in response to key emerging issues and concerns. For instance, we have worked with Anti-slavery International to respond to the call of the UN Special Rapporteur on the human rights of migrants on [how to expand and diversify regularization mechanisms and programs to enhance protections](#). We also worked with nine other organisations, including the ATMG, ATLEU, Hope for Justice and others to produce a joint anti-trafficking sector response to the Ministry of Justice's Immigration Legal Aid consultation on new fees for new services, and with four partners to produce a response to their Legal Aid Means Test review.

Aim 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, we have continued working to progress the aims of FLEX's Business Plan 2020-2025 and have conducted a review of our 'Diversity and Inclusion Strategy' to assess the progress made and identify new targets. In this period, this work included reviewing several policies including in FLEX's Staff Handbook; introducing a new Staff Wellbeing policy and an Employee Assistance Programme (EAP); delivering in-house training on safeguarding; diversifying our Board of Trustees; and developing collaborations with organisations working with under-represented groups.

This objective also relates to ensuring a healthy and productive working environment for FLEX staff. To this end, during this period a review of most HR policies contained in the FLEX Staff Handbook and introduced significant improvements to our working conditions related to annual leave entitlements and TOIL; occupational sick pay; enhanced maternity, paternity and adoption pay; pension contribution and others. We have also set up a new Staff Wellbeing Working group, made of four staff members, to discuss ways in which the organisation can better support the wellbeing of the team. The work of this group resulted in a new Staff Wellbeing policy.

In terms of our external communications, during this period we introduced a new Communications Officer role, which has allowed us to significantly increase our audiences. During this period, **FLEX has**

provided background information to numerous press pieces and featured in the media 30 times, including the following pieces:

- **The Grocer**, 10.06.22: '[Concerns over criminals using seasonal worker visa to exploit labourers](#)'
- **Byline Times**, 06.09.22: '[Modern Slavery Victims have been Pawns in Government's Anti-Asylum Seeker Campaigns](#)'
- **The Observer**, 13.11.22: '[Seasonal fruit pickers left thousands in debt after being sent home early from UK farms](#)'
- **Financial Times**, 19.12.22: '[Investors warn food companies about risk of forced labour on UK farms](#)'
- **The Guardian**, 12.02.23: '[Modern slavery survivors could be re-trafficked in UK, charities warn](#)'
- **The Guardian**, 22.02.23: '[Farm workers on UK seasonal visas to be guaranteed 32 hours a week](#)'
- **BBC World Service**, 02.03.23: '[A story of Modern Slavery in the UK](#)'

We have also published two pieces authored by FLEX, one co-authored with a spokesperson from the Voice of Domestic Workers:

- **Politics Home**, 09.02.22: '[The UK is failing victims of Modern Slavery](#)'. Article written by FLEX's Training Officer and a representative from the Voice of Domestic Workers).
- **Open Democracy**, 21.10.22: '[The UK government is undermining decades of anti-slavery efforts](#)'. Op-ed written by FLEX's Head of Policy.

We have posted 32 blogs and news pieces on our website, including 6 guest blogs (Southeast and East Asian Centre, LAWRS, UK BME Anti-Slavery Network, Filipino Domestic Workers Association, Helen Bamber Foundation, and the International Transport Workers Federation) and **a series of blogs for 16 days of activism against gender-based violence** showcasing the **testimonies from 6 women** working in hospitality, cleaning and app-base delivery work **on the issue of sexual harassment at work**.

In March 2023, to mark FLEX's 10th Anniversary, we refreshed our image and launched our **new website**, which includes thematic pages on our different areas of focus, as well as resources for workers, a brand-new training portal with learning resources for training participants, and improved search options allowing users to browse our publications more easily.

Finally, this objective relates to our sustainable funding strategy and over the past year FLEX has maintained its financial sustainability, developing existing work and 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 16 organisations, including Rosmini Community Centre in Cambridgeshire, Citizens Advice South Lincolnshire (CASL), Landworkers Alliance, Unison, Southeast and East Asian Centre (SEEAC), IRMO, Asian Women Resource Centre, Voice of Domestic Workers, and

various LEAG members working in London, including LAWRS, Work Rights Centre, and Kanlungan. We also delivered three partnership projects with academics from Nottingham University Rights Lab, Exeter University, and UCL.

Financial review

The charity's income increased to £618,436 (2021: £467,119). The charity was able to increase the number of grants in the year including working with new funders.

Total expenditure was £469,189 (2022: £386,310) resulting in a net surplus for the year of £149,247 and total reserves of £515,483. Unrestricted reserves increased to £253,032 (2022: £228,011).

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 £253,032. The Trustees designated £25,000 of unrestricted reserves to support enhanced parental leave and sickness pay in the prior year and this remains in place at 31 March 2023. The unrestricted reserves are in line with the reserves target, to cover 3 months operating cost (£115,982).

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 2024 are derived from its Strategic Plan 2020-25, and are focussed on strengthening worker engagement and our comms work to support the promotion of its unique expertise and approach to the prevention of trafficking for labour exploitation at the national and international level.

Our plans include conducting rigorous research, developing policy recommendations, engaging people with lived experience, working with businesses and employers to identify concrete actions that respond to workers' priorities, increasing stakeholders' capacity to prevent, identify and address exploitation; and building networks and opportunities for international advocacy. For 2023/24, 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 parliamentary work around the Nationality and Borders Bill, the Illegal Immigration Bill, and the Human Rights Act; as well as on the National Referral Mechanism and the off-shoring of asylum seekers to Rwanda;
- Strengthening our engagement of experts by experience across all areas of FLEX's work by creating a new Worker Engagement Officer role.
- Continuing to develop our networks and investing in increasing mutual capacity to jointly work towards preventing labour exploitation;
- Continuing delivering a pilot 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
	Shereen Hussein
	Ian Robinson
	Dora-Olivia Vicol

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: 28 September 2023

Independent Examiner's Report to the trustees Focus on Labour Exploitation

I report to charity trustees on my examination of the accounts of the charity for the year ended which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the charity trustees of Focus on Labour Exploitation you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Focus on Labour Exploitation's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of Focus on Labour Exploitation as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

.....
Timothy Sullivan FCA
ICAEW

9 Hare & Billet Road
Blackheath
SE3 0RB

Date: 18 October 2023

Statement of Financial Activities for the year ending 31 March 2023

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2022 £
Income:					
Donations	3	94,652	517,619	612,271	452,792
Income from other trading activities:					
Consultancy fees		5,497	-	5,497	14,235
Investment income	4	668	-	668	92
Total income		100,817	517,619	618,436	467,119
Expenditure					
<i>Expenditure on charitable activities:</i>	5	75,796	393,393	469,189	386,310
Total expenditure		75,796	393,393	469,189	386,310
Net movement in funds for the year		25,021	124,226	149,247	80,809
Reconciliation of funds					
Total funds brought forward		253,011	113,225	366,236	285,427
Total funds carried forward		278,032	237,451	515,483	366,236

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 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	9	686	1,636
Total Fixed Assets		<u>686</u>	<u>1,636</u>
Current assets			
Debtors	10	19,461	73,045
Cash at bank and in hand		510,912	348,094
Total Current Assets		<u>530,373</u>	<u>421,139</u>
Liabilities			
Creditors falling due within one year	11	(15,576)	(56,539)
Net Current assets		<u>514,797</u>	<u>364,600</u>
Total assets		<u>515,483</u>	<u>366,236</u>
The funds of the charity:			
Designated funds		25,000	25,000
Unrestricted funds		253,032	228,011
Restricted funds	12	237,451	113,225
Total charity funds		<u>515,483</u>	<u>366,236</u>

For the financial year ending 31 March 2023 the charity was entitled to exemption from audit under section 447 of the Companies Act 2026 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- 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 provisions applicable to companies subject to the small companies regime.

The notes at pages 25 to 33 form part of these accounts

Adam Weiss, on behalf of the trustees

Approved by the trustees on 28 September 2023

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 2022

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

3. Donations

	2023	2022
	£	£
Barrow Cadbury Trust	31,000	31,500
Esmee Fairbairn Foundation	55,000	-
Trust for London	32,225	20,025
John Ellerman Foundation	36,603	37,656
Joseph Rowntree Charitable Foundation	95,492	32,720
Justice Together	145,304	2,195
The Oak Foundation	38,640	72,216
Unbound Philanthropy	40,000	40,000
Paul Hamlyn Foundation	54,890	49,200
Ethical Trading Initiative	3,290	3,293
City Bridge Trust	37,129	18,420
The Landworkers' Alliance	7,500	-
MOPAC	-	23,518
The Home Office	-	75,050
The Scottish Ministers	17,056	10,000
Ethos Foundation	-	10,000
AB Charitable Trust	-	20,000
Kickstart grant	-	6,565
University of Exeter	15,093	-
Other gifts	3,349	434
	<u>612,571</u>	<u>452,792</u>

Total donations were £612,571 (2022: £452,792) of which £94,952 (2022: £134,756) was unrestricted and £517,619 (2022: £318,036) was restricted.

4. Investment income

	2023	2022
	£	£
Interest received	668	92
	<u>668</u>	<u>92</u>

5. Analysis of expenditure on charitable activities

Description	Charitable Activities	2023	2022
	£	£	£
Direct costs	93,156	93,156	93,804
Direct salary costs	332,197	332,197	251,480
Depreciation	950	950	1,247
Support costs:			
<i>Rent</i>	24,498	24,498	24,457
<i>Financial consultancy</i>	5,228	5,228	5,200
<i>Payroll and recruitment costs</i>	551	551	
<i>Travel & accommodation</i>	3,047	3,047	227
<i>Insurance</i>	1,900	1,900	1,742
<i>General office</i>	5,985	5,985	3,153
<i>Independent examination/Audit fee</i>	1,980	1,980	5,000
Total	469,490	469,490	386,310

Expenditure on charitable activities was £469,490 (2022: £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 £1,650 (2022: £4,800).

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

	2022	2022
	£	£
Salaries and wages	303,432	228,306
Social security costs	21,715	17,972
Pension costs	7,050	5,202
	<u>332,197</u>	<u>251,480</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 (2022: nil).

The key management personnel comprises the Chief Executive and their total benefits during the year were £59,500 (2022 - £57,613).

7. Staff numbers

The average monthly head count was 9.5 staff (2022: 7 staff).

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 2022	1,038	10,069	11,107
Disposals	-	(4,279)	(4,279)
Cost at 31 March 2023	<u>1,038</u>	<u>5,790</u>	<u>6,828</u>
Depreciation			
At 31 March 2022	1,038	8,433	9,471
Charge for the year	-	950	950
Disposals		(4,279)	(4,279)
At 31 March 2023	<u>1,038</u>	<u>5,104</u>	<u>6,142</u>
Net book value			
At 31 March 2023	<u>-</u>	<u>686</u>	<u>686</u>
At 31 March 2022	<u>-</u>	<u>1,636</u>	<u>1,636</u>

10. Debtors

	2023 £	2022 £
Trade Debtors	15,093	14,250
Prepayments and accrued income	<u>4,368</u>	<u>58,995</u>
	<u>19,461</u>	<u>73,045</u>

11. Creditors: amount falling due within one year

	2023 £	2022 £
Trade Creditors	1,462	40,608
Accruals	7,230	5,150
Taxation and social security	5,115	7,101
Other creditors	1,769	3,680
	<u>15,576</u>	<u>56,539</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 2022	Incoming resources	Resources expended	Transfer	Balance at 31-Mar 2023
	£	£	£	£	£
Restricted funds					
Barrow Cadbury Trust	21,006	31,000	(33,920)		18,086
Trust for London	-	32,225	(32,111)		114
Paul Hamlyn Foundation	42,578	54,890	(42,060)		55,408
Unbound Philanthropy	26,828	40,000	(39,521)		27,307
Ethical Trading Initiative	825	3,290	(3,293)		822
University of Exeter	-	15,093	(15,093)		
Joseph Rowntree Charitable Foundation	13,744	95,492	(51,260)		57,976
City Bridge Trust	8,244	37,129	(30,843)		14,530
Tides	-	38,640	(15,230)		23,410
Justice Together	-	145,304	(105,506)		39,798
The Scottish Ministries		17,056	(17,056)		
The Landworkers Alliance		7,500	(7,500)		
Total restricted funds	113,225	517,619	(393,393)		237,451
Unrestricted					
Unrestricted general fund	228,011	100,817	(69,757)	(6,039)	253,032
Designated					
Enhanced leave fund	25,000		(6,039)	6,039	25,000
Total funds	366,236	617,644	469,489	-	515,483

The designated fund is used to provide enhanced paternal and sick leave payments. The Trustees approved the transfer in the year following payments from the designation.

Prior period	Balance at 01-Apr 2021	Incoming resources	Resources expended	Transfer	Balance at 31-Mar 2022
Restricted funds	£	£	£	£	£
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)	-	-
Total restricted funds	153,467	318,036	358,278	-	113,225
Unrestricted					
Unrestricted general fund	131,960	149,083	(28,032)	(25,000)	228,011
Designated					
Enhanced leave fund	-	-	-	25,000	25,000
Total funds	285,427	467,119	330,246	-	366,236

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 core operational costs and delivery of capacity building for local authorities.
- 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: funding to work to make current and future short-term work visas fairer and safer
- University of Exeter: funding to research into immigration rules and labour policies
- Landworkers' Alliance: funding to research structural causes for poor working conditions in the conventional agricultural sector

13. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total £
Funds balances at 31 March 2023 are represented by:			
Tangible Fixed Assets	686	-	686
Current Assets	287,822	242,551	530,373
Creditors: amounts falling due within one year	(15,576)	-	(15,576)
	<u>272,932</u>	<u>242,551</u>	<u>515,483</u>

	Unrestricted Funds £	Restricted Funds £	Total £
Funds balances at 31 March 2022 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>