

Company number: 6563365
Charity Number: 1126097
Charity registered in Scotland No: SC045769

Hope for Justice

Report and financial statements
For the year ended 31 March 2019

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Reference and administrative information

For the year ended 31 March 2019

Company number 6563365

Charity number 1126097

Registered office Hope for Justice
37 Market Square
Witney
Oxon
OX28 6RE

Trustees Trustees who are also directors under company law, who served during the year and up to the date of this report were as follows:

P Elson *	(Chair)
C Dacre	Resigned 25 th January 2019
A Gibson **	
N Grant	
G Henderson	
W Taylor **	
M Warner *	
T Bentley	Appointed 3 rd May 2019
S Illingworth	Appointed 9 th August 2019

* Member of the Finance Sub-Committee

** Member of the Risk and Compliance Sub-Committee

Reference and administrative information

For the year ended 31 March 2019

Bankers	HSBC City Branch Park Row Leeds LS11LD	CAF Bank 25 Kings Hill Avenue West Malling Kent ME19 4JQ
Auditors	Rees Russell LLP Statutory Auditors 37 Market Square Witney Oxon OX28 6RE	

For the year ended 31 March 2019

The trustees present their report and the audited financial statements for the year ended 31 March 2019.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The trustees regularly review the aims, objectives and activities of the charity. This report looks at what the charity has achieved and the outcomes of its work in the reporting year. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

The principle activities are:

- a) to identify victims of human trafficking, build bridges of trust with them and safely remove them from situations of exploitation
- b) to assess victims needs and make recommendations to safe house providers in the short term and to assist survivors with finding jobs and building community in the longer-term
- c) to secure criminal and civil justice for victims and advocate for access to housing and health services, and for the cancellation of debts created by traffickers
- d) to train frontline professionals such as the police, social services, housing providers and outreach programmes to identify victims and/or work appropriately with them

Through its activities, Hope for Justice provides public benefit in the following areas:

- The prevention and relief of oppression and exploitation imposed by Human Trafficking
- The advancement of awareness amongst the general public of the prevalence of Human Trafficking
- Improving the response from front line professionals working with potential victims of Human Trafficking for identifying and reporting potential victims
- Working with commercial entities to identify and remove forced labour and other forms of exploitation from their supply chains

For the year ended 31 March 2019

Although many of Hope for Justice's activities are complex and span a number of its objectives, Hope for Justice summarises its activities under 4 broad headings.

- Prevention
- Rescue
- Restoration
- Reformation

The following paragraphs report our successes and achievements under the four headings identified above.

Achievements and performance

This is now the 10th year of Hope for Justice's work in the UK and it has been by far the most successful yet, below are some of the highlights.

Prevention

Hope for Justice is working with some of the major bus and coach companies operating from central and eastern Europe into the UK to have our posters and literature placed on board their vehicles. The 'Spot the Signs' posters are designed to warn people on board about the dangers of modern slavery and what to look out for, in people's own native languages, using easy-to-understand wording.

On Anti-Slavery Day, October 18th, the Environment Agency announced its commitment to redoubling its efforts against modern slavery, in partnership with Hope for Justice. The EA announced more about our training with its frontline teams and how it is tackling trafficking in the waste and recycling industries especially. More than 100 of its officers were trained as part of a growing recognition of organised criminal activity in this sector.

Rescue

Possibly, the crowning success in the UK this year has seen the culmination of an investigation designated 'Operation Fort' –this began in 2015, shortly after Hope for Justice set up its regional investigative Hub in the West Midlands. Finally in July 2019, after a long court case, eight members of a modern slavery trafficking gang have been convicted of slavery, trafficking and money-laundering offences in two trials, during which more than 50 victims first identified by Hope for Justice – many supported by us ever since – bravely gave evidence. Police and Hope for Justice identified 92 individual victims, but we believe there could have been up to 400 victims in all. This was the biggest modern slavery case ever uncovered in the UK, possibly even in Europe.

DCI Nick Dale, who was the senior investigating officer on Operation Fort for West Midlands Police, said: "In the case of Operation Fort, this investigation, we were able to benefit from the really good work done by Hope for Justice to gain the trust of those victims so they could come to us, so we could see the whole story and identify that evidence."

Eight members of the gang were sentenced to a combined total of more than 55 years in prison.

At the end of the case at Birmingham Crown Court, Judge Mary Stacey asked the Hope for Justice outreach worker who first identified the gang to stand in court and commended him for his actions.

Following the court case, the Sunday Times and other media published investigations showing how companies and their supply chains had been infiltrated by the trafficking gang.

Prevention and Rescue

The issues raised by the Sunday Times highlights yet another of the successes of this year. Hope for Justice has for a number of years recognised that there are a great number of people trafficked to work in oppressive circumstances, who form part of supply chains for some of the most prestigious and well known household companies supplying goods and services to the UK public.

Hope for Justice has worked for a number of years with enlightened employers who also recognise this potential danger, but in April 2018, Hope for Justice formally launched its social enterprise "Slave Free Alliance" a wholly owned subsidiary of Hope for Justice. Through the Alliance, Hope for Justice now works with companies whose combined revenue is in the hundreds of billions, employing nearly half a million people around the world: its membership also includes readily recognised global multinationals.

Restoration

A compensation award for a case our UK team worked on for five years has been increased to £35,000; more than double the original award. The authorities recognised that the survivor's financial losses and physical abuse were much worse than originally accounted for.

Although this money cannot undo his years in slavery, it means a better future for his children, which is all he dreamed of when he first came to the UK.

Reformation

In the UK in October 2018, our Director of Legal Policy, appeared before MPs on the Home Affairs Select Committee as part of its inquiry into modern slavery and the UK government's response. During which, we expressed strongly in favour of Lord McColl's Bill, currently working its way through Parliament, which is being supported by Hope for Justice as part of the Free For Good campaign.

Reformation

In Norway, following his appointment as Minister of International Development in January, Dag Inge Ulstein's first official meeting was on the subject of modern slavery with Hope for Justice's International Programme Director. The discussion was fruitful and has already led to potential new opportunities for partnership and collaboration, not just in Norway but around the world.

Overseas activity

Hope for Justice (UK) does not work in isolation though. These accounts include the results of Hope for Justice AS, its Norwegian subsidiary company, which is a charity operating initially from Stavanger, but this year, it has expanded its operations to include Oslo.

The reach of Hope for Justice does not stop with activity in Norway, through a network of organisations described internally as a 'family' Hope for Justice's currently works in six other countries: Cambodia; Ethiopia; Uganda; USA; Vietnam and Zimbabwe.

Through our social enterprise Slave Free Alliance, Hope for Justice works with a number of global multinationals, helping to identify and release exploited individuals employed in their supply chains both at home and abroad.

Working together, below are just some of the highlights the Hope for Justice family of organisations has achieved during this year:

Prevent:

- 71,593 children vulnerable to trafficking
- 12,234 people trained

Rescue

- 2,020 locks added to our Freedom Wall, each unlocked padlock represents a life changed by our work

Restoration

- 7,917 interventions by our advocacy teams to help survivors
- 7,469 academic classes taught at our Shine school for survivors

Reform

- Jail sentences for traffickers in Cambodia and UK
- Evidence given to US Senate Committee on Foreign Relations inquiry – The Global Fight to End Modern Slavery
- Hope for Justice's Independent Modern Slavery Advocates (IMSA) work highlighted in the UK Government's summary of progress towards the UN Sustainable Development Goals
- Hope for Justice appeared before MPs on the Home Affairs Select Committee as part of the HM Government inquiry into modern slavery

Fundraising

The issue of ethical fundraising remains a hot topic in the public domain. Hope for Justice does not employ the services of a 3rd party fundraiser and we are committed to ensuring that our own internal practices meet the highest standards.

For the year ended 31 March 2019

Hope for Justice is registered with the Fundraising Regulator, whose standards we applaud and work hard to uphold, and we have invested significantly this year to ensure that we comply with General Data Protection Regulation (GDPR) legislation which came into force on 23rd May 2018

Financial review

During 2018/19 Hope for Justice expanded its operations by increasing the number of frontline staff delivering services and bolstering the management team to improve governance and oversight.

We are delighted to note that during the year we have seen our income continue to grow, increasing by 44% from £2.1m (2017/18) to £3.1m (2018/19) with the Slave Free Alliance adding £242k to Group income. Charitable income growth is due to continued investment in fundraising activities and an increasing awareness of the issue of modern slavery. Recurring income is consistently high representing 48% of annual income, the majority of this from private individuals. In addition we have attracted a wider range of major donations on a multi-year basis from businesses, trusts and foundations.

The generosity and sacrifice made by all our supporters has made a huge difference this year in preventing exploitation, rescuing victims, restoring lives and reforming society. We are truly humbled and so grateful.

During its first year of trading, Slave Free Alliance, Hope for Justice's social enterprise company made a loss of £28,976. There has been substantial investment in staff and infrastructure during this period and sales momentum is building. Our focus is now on developing new sales to deliver profitability in the medium term.

Expenditure on charitable activities for 2018/19 appears lower than in 2017/18, due to costs previously identified as charitable activities now being undertaken by The Slave Free Alliance. At a consolidated level, expenditure is broadly the same as in the previous year.

The result is that there is surplus for the year and a substantial uplift in retained reserves, and hence a healthy balance sheet position.

Within the unrestricted reserves of £967,144, there is a sum of £120,000 designated by the trustees for extending our work in Vietnam. It is anticipated that this sum will be spent during 2019/2020.

Reserves policy and going concern

Hope for Justice has an approved reserves policy, for retaining a level of readily accessible funds within its unrestricted reserves to mitigate financial and operation risks, ensuring that the work of

For the year ended 31 March 2019

the charity is sustained with minimal disruption and where necessary to provide short term funding for new projects. Taking into consideration the relative proportion of restricted and unrestricted income and therefore expenditure, the target agreed by the trustees is that unrestricted reserves should be within a range of 3–6 months of operational expenditure. The amount of unrestricted reserves held as at 31 March 2019 was £967,144 (2017/18 £425,442) representing 4.9 months of expenditure and therefore the reserves held at 31 March 2019 are in line with our reserves policy.

Restricted reserves represent income received but not yet expended in accordance with donors' wishes. Some restricted donations are given to fund multi-period projects. These are recorded in the period when the donation is received or receivable. The expenditure from restricted funds is recorded in the period when the funds are used for the restricted purpose. This means that in some accounting periods, there will be significant restricted reserves carried forward to future periods and in some accounting periods, there may be an excess of restricted expenditure over restricted funds received in that period.

Plans for the future

In January 2018, Hope for Justice announced that the charity Retrak was to become part of Hope for Justice. Following the announcement, the board structures were aligned and since that time the two charities have worked ever closer together to extend the work undertaken by Retrak to reduce the incidence of street children in Ethiopia, Uganda and Zimbabwe from being trafficked or otherwise exploited. In practical terms, this has resulted in the two charities each reviewing its overheads and systems to identify duplications and where possible and practicable, reduce unnecessary expenditure by sharing resources.

At the time of the announcement, and prior to the board restructure, the trustees of Retrak approved the legal merger of Retrak into Hope for Justice. The current board of trustees having reviewed that decision concur that it is now appropriate for that formal merger to take place, and work is ongoing to complete that process with a target date of the end of the current reporting year.

The legal merger of Retrak into Hope for Justice will add to the efficiencies already delivered in our charity work by reducing or removing duplicated governance costs and overheads demanded of two (currently) independent charities.

The investment in the social enterprise Slave Free Alliance has opened a fantastic opportunity for Hope for Justice to move more quickly towards its goal of ending modern day slavery in the United Kingdom. During this first period of trading, there has been significant investment in infrastructure and sales development, which has understandably resulted in a loss for the period. The trustees anticipate and are prepared to provide further financial support during the coming year as sales momentum builds. However, having reviewed sales and cost projections they are confident that Slave Free Alliance will become income generative in the foreseeable future, and so

be in a position to repay the loans made to it. The trustees therefore continue to monitor the financial development of Slave Free Alliance to ensure charity funds are wisely invested, and also to monitor the efficacy of its work in removing human exploitation from companies' supply chains.

Structure, governance and management

Constitution

Hope for Justice is a company limited by guarantee (company number 6563365), governed by its Memorandum and Articles of Association which were adopted on its incorporation on 11 April 2008. It is registered as a charity with the UK Charity Commission (charity number 1126097), and with the Scottish Charity Regulator (charity number SC045769).

Membership is open to all individuals and organisations who apply to the charity in the form required by the trustees and are approved by the trustees. At 31 March 2019 there were 6 member-trustees each of whom has agreed to contribute £10 in the event of the charity winding up.

Method of appointment or election of trustees

Trustees are appointed by the members and one third of the trustees retire annually by rotation at the AGM. New trustees undertake an induction process in order to brief them of their obligations under charity and company law, the structure, activities and processes of the charity and to meet key employees. Trustees are voluntary and receive no remuneration or financial benefit.

Organisational structure and decision making

The trustees approve the strategic direction and the annual budget of the charity and meet at least four times a year. The Chief Executive Officer has responsibility for running the organisation on behalf of the trustees and leads the Executive Team. This team recommends strategy to the trustees and provides day-to-day management, including accountability and oversight in all legal, contractual and financial responsibilities relating to the charity's business.

Risk management

The trustees take the identification of operational, financial and reputational risk seriously. The trustees have put in place structures to ensure that the many and varied risks Hope for Justice is exposed to are identified, addressed as appropriate and monitored effectively.

The day to day running of the organisation, and therefore the identification, reporting and mitigation of risk is tasked to the CEO and the Executive Team. The Executive execute their responsibilities through a robust risk identification procedure which has been refined over a number of years. In turn, the Executive Team recognises that risk identification is only as good as the embedding of risk recognition and reporting of our staff, so regular training is provided to

For the year ended 31 March 2019

reinforce the process. The ultimate outputs from incident reporting are a number of focused risk registers which are maintained and reviewed on a regular basis. The topic of risk is a standing item on Executive Team meeting agendas.

The most significant risks last year were:

Security and safety management, for our country programmes, to provide the appropriate care for our staff and clients. We have policies in place and we constantly reinforce these with our staff.

Managing changes in GDPR and fundraising regulations. A team ensured that GDPR compliance in all significant areas was achieved on time.

Ensuring we have the right people with the right skills in place to deliver our strategy. We focused on recruiting key skill to fill gaps in our current skill sets. We continue to use tested performance management tools to monitor and develop our teams.

The main risks to be managed in the year ahead:

Leadership. To achieve our plans we need excellent leadership. We will continue to invest in identifying and recruiting leaders who can steer our organisation through the challenges it will face in the future.

Programme quality. Our programmes continues to grow and expand in depth and breadth, we will cross-pollinate our programme knowledge and experiences to ensure we deliver 'best of breed' throughout.

Safeguarding. We continually review our safeguarding policies and the embedding of these through regular training. We promote the culture that reporting incidents is a strength, not a weakness, a positive, not a negative activity.

With the increasing complexity of the work of the charity, at the beginning of this financial year, the trustees introduced two sub-committees comprised of main trustee board members and executives:

The Risk Sub-Committee which has a brief to review and monitor programmatic and operational risks

The Finance Sub-Committee – which inter alia has a brief to review and monitor financial risks

During this financial year, the Risk and Compliance Sub-Committee and the Finance Sub-Committee each met twice. Both committees have met after the year-end.

The trustee membership of each committee is shown on page 1.

Statement of responsibilities of the trustees

The directors (who are also trustees of the charitable activities for the purpose of charity law) are responsible for preparing the Trustees' annual report and the financial statements in accordance

For the year ended 31 March 2019

with general applicable law and United Kingdom Accounting Standards (United Kingdom General Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources including the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure 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.

Insofar as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Auditors

Rees Russell LLP were appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 25 October 2019 and signed on their behalf by

P. Elson
Chair

Independent auditors' report

To the members of Hope for Justice

Opinion

We have audited the financial statements of Hope for Justice for the year ended 31 March 2019, which comprise the group Statement of Financial Activities, the group and parent Charitable Company Balance Sheets and the group and parent Charitable Company Cash Flow Statements and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)).

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, and to the Charitable Company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees 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, the Charitable Company's members as a body, and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2019 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006;
- the Charities and Trustee Investment (Scotland) Act 2005; and
- comply with regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 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 as applied to public interest entities, 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to

Independent auditors' report

To the members of Hope for Justice

continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

Opinion on other matters prescribed by the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 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 the purposes of company law, 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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

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

To the members of Hope for Justice

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement (set out on page 3), 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.

To the members of Hope for Justice

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditors' report

To the members of Hope for Justice

Jonathan Russell (Senior Statutory Auditor)
For and on behalf of ReesRussell LLP, Statutory Auditor

37 Market Square
Witney
Oxfordshire
OX28 6RE

Date:.....

Hope for Justice

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2019

	Note s	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Incoming and endowments from:					
Donations and legacies	2	2,389,316	421,106	2,810,422	2,094,214
Charitable activities	3	19,123	–	19,123	45,528
Other trading activities	4	242,491	–	242,491	–
Income from investments	5	104	–	104	786
		—————	—————	—————	—————
Total		2,651,034	421,106	3,072,139	2,140,528
Expenditure on:					
Raising funds		495,701	–	495,701	420,004
Charities objectives	6	1,342,163	223,271	1,565,435	1,806,352
Other trading costs		271,467	–	271,467	–
		—————	—————	—————	—————
Total		2,109,331	223,271	2,332,603	2,226,356
Net income (expenditure)		541,703	197,835	739,538	(85,828)
Transfers between funds		–	–	–	–
Net movement in funds for the period		541,703	197,835	739,538	(85,828)
Reconciliation of funds					
Total funds brought forward		425,441	114,498	539,939	631,045
Exchange differences arising on consolidation		–	–	–	(5,278)
		—————	—————	—————	—————
Total funds carried forward		967,144	312,333	1,279,477	539,939

The charity has no recognised gains or losses other than the results for the period as set out above.

All the activities of the charity are classed as continuing

The notes on pages 20 to 28 form part of these financial statements

Hope for Justice

Balance Sheets

For the year ended 31 March 2019

		Group		Charity	
	Notes	2019 £	2018 £	2019 £	2018 £
Fixed assets					
Tangible assets	10	42,953	44,145	39,667	41,290
Investments	11	-	-	3,625	3,625
		42,953	44,145	43,292	44,915
Current assets					
Stock	12	13,672	8,036	13,367	7,782
Debtors	13	206,560	164,421	287,542	151,689
Cash at bank and in hand		1,342,117	556,536	917,434	395,634
		1,562,351	728,992	1,218,343	555,104
Liabilities					
Creditors: Amounts falling due within one year	14	325,828	233,197	278,801	233,076
Net current assets/liabilities		1,236,524	495,796	939,542	322,029
Total net assets or liabilities		<u>1,279,477</u>	<u>539,940</u>	<u>982,834</u>	<u>366,943</u>
The funds of the charity					
Total unrestricted funds		967,144	425,441	670,503	252,446
Total restricted funds		312,333	114,499	312,332	114,497
Total charity funds		<u>1,279,477</u>	<u>539,940</u>	<u>982,834</u>	<u>366,943</u>

The financial statements were approved by the board on 25 October 2019 and signed on its behalf by:

P Elson
Director

The notes on pages 20 to 28 form part of these financial statements

Consolidated statement of cash flows

For the year ended 31 March 2019

	2019 £	2018 £
Cash flows from operating activities:		
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	739,538	(85,828)
Adjustments for:		
Depreciation charges	20,550	17,935
Exchange differences on consolidation	–	(5,278)
Dividends, interest and rents from investments	(104)	(786)
(Increase)/decrease in stocks	(5,637)	(1,671)
(Increase)/decrease in debtors	(42,139)	(67,426)
Increase/(decrease) in creditors	92,631	108,696
Net cash provided by (used by) operating activities	804,841	(34,357)
Cash flows from investing activities:		
Dividends, interest and rents from investments	104	786
Proceeds from the sale of property, plant and equipment		
Purchase of property, plant and equipment	(19,363)	(13,808)
Net cash provided by (used in) investing activities	(19,259)	(13,022)
Change in cash and cash equivalents in the reporting period	785,582	(47,379)
Cash and cash equivalents at the beginning of the reporting period	556,536	603,915
Cash and cash equivalents at the end of the reporting period	1,342,117	556,536
 Analysis of cash and cash equivalents		
	Current year	Prior year
Cash in hand	500	500
Notice deposits (less than 30 days)	1,266,617	481,036
Notice deposits (more than 30 days)	75,000	75,000
Total cash and cash equivalents	1,342,117	556,536

Notes to the financial statements

For the year ended 31 March 2019

1.1 Accounting policies

The accounts of the company are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice – (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)). They incorporate the results of the principal activity which is described in the directors' report and which is continuing.

1.2 Fund accounting

The charity has various types of funds for which it is responsible, and which require separate disclosure. These are as follows:

Unrestricted funds	– Funds are expendable at the discretion of the Trustees in furtherance of the objects of the charity
Restricted funds	– Restricted funds can only be used for particular restricted purposes within the objectives of the charity. These arise when funds are subject to specific restrictive conditions imposed by funders/donors or by the purpose of the grant.
Designated funds	– The Directors may at their discretion set aside unrestricted funds for specific purposes.

1.3 Assets policy

a) Fixed assets are included at cost or valuation.

b) Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated at the following rates:

Fixtures & fittings	20% on cost
Computer & equipment	25% on cost

1.4 Incoming resources

- a) All grants and voluntary income are accounted for gross when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.
- b) Charitable activities, trading and merchandising income is accounted for when earned. Activity income received in advance is deferred until entitlement to the income has arisen at which time it is credited to the Statement of Financial Activities (SOFA).
- c) Gifts in kind are included at valuation. No amounts are included in the financial statements for services donated by volunteers
- d) Restricted income is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

1.5 Resources expended

- a) All expenditure is accounted for on an accruals basis. Irrecoverable VAT is included within the relevant expense of the charity in the year.
- b) Grants payable comprise gifts to individuals and charitable organisations with similar objectives.
- c) Activities in furtherance of the charity's objectives include the direct costs of staff and property.
- d) The trustees consider the management and administration costs of the Charity are not material when taken in the context of amounts spent on charitable activities. All members of staff have been active in fulfilling the objectives of the charity.

Notes to the financial statements**For the year ended 31 March 2019**

1.6 Basis of consolidation

The group financial statements consolidate the financial statements of Hope for Justice and its subsidiaries No More Slaves Limited (Company Number 08692709), Hope for Justice International (Company Number 09440540) both dormant throughout this reporting period, and Hope for Justice AS (Registered in Norway registered under Organisasjonsnummer 915 520 995) and Slave Free Alliance Limited (Company Number 11258651).

Details of the operations of Slave Free Alliance Limited can be found within Note 4.

Subsidiary undertakings are included using the acquisition method of accounting. Under this method the group net incoming resources include the results of subsidiaries from the date of acquisition and to the date of sale outside the group in case of disposals of subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

A summary of the results of Hope for Justice AS for the year ended 31 March 2019 is as follows:

	2019 £	2018 £
Income	359,058	232,931
Expenditure	<u>206,437</u>	<u>215,614</u>
Surplus	152,621	17,317
Total funds brought forward	<u>172,950</u>	<u>158,016</u>
Total funds carried forward	<u><u>325,571</u></u>	<u><u>175,333</u></u>
Assets	351,817	210,597
Liabilities	<u>23,863</u>	<u>35,263</u>
Funds	<u><u>327,954</u></u>	<u><u>175,334</u></u>

1.7 Investments

Fixed asset investments are stated at historical cost less provision for diminution in value.

1.8 Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete or slow moving stocks. Cost include all direct costs and an appropriate proportion of fixed and variable overhead expenses. Net realisable value is based on the estimated selling price less the estimated cost of disposal.

1.9 Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

Notes to the financial statements

For the year ended 31 March 2019

2 Donations and legacies

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total 2019 £	Total 2018 £
Donations and legacies	2,389,316	421,106	2,810,422	2,069,329
	<hr/>	<hr/>	<hr/>	<hr/>
	2,389,316	421,106	2,810,422	2,069,329

3 Charitable activities

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total 2019 £	Restricted Funds 2018 £
Speaker and trainer fees	5,535	–	5,535	35,877
Sale of 'awareness' merchandise	13,588	–	13,588	9,650
	<hr/>	<hr/>	<hr/>	<hr/>
	19,123	–	19,123	45,527

4 Other trading activities

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total 2019 £	Total 2018 £
Slave Free Alliance Limited	242,491	–	242,491	–
	<hr/>	<hr/>	<hr/>	<hr/>
	242,491	–	242,491	–

Slave Free Alliance Limited is a wholly owned subsidiary company incorporated in the UK with an issued share capital of £1, which began trading on 16 March 2018

The principal activity of the company, which is a social enterprise, is offering businesses a range of services to help them identify and remove human exploitation and trafficking from their supply chains. The services include awareness training, gap analysis, due diligence, risk management and help with investigations, crisis response, remediation and Slavery and Human Trafficking Statements. All the activities of Slave Free Alliance are at the core of the work of Hope for Justice – the parent company – a registered charity in England and Wales and as such, Slave Free Alliance is considered a primary purpose trading company as defined by the Charities Commission in its guidance CC35. The primary goal of Slave Free Alliance is to further the objects of the charity in bringing an end to Human Trafficking. To that end, Slave Free Alliance has total support both financially and operationally of its parent company Hope for Justice.

Audited accounts have been filed with the Registrar of Companies and have been consolidated with those of Hope for Justice in the group accounts presented here.

Notes to the financial statements

For the year ended 31 March 2019

The non-charitable trading activities of this subsidiary are summarised below:

	2019
	£
Turnover	242,491
Office and administration costs	<u>(271,467)</u>
Operating loss	<u>(28,976)</u>
Loss before tax	<u>(28,976)</u>
Loss for the financial period	<u><u>(28,976)</u></u>

This is the first period of trading for the Slave Free Alliance, and consequently, significant start-up costs have been incurred resulting in this loss.

5	Income from investments	Unrestricted	Restricted	Unrestricted	Restricted
		Funds	Funds	Funds	Funds
		2019	2019	2018	2018
		£	£	£	£
Bank interest		104	–	786	–
		<hr/>	<hr/>	<hr/>	<hr/>
		104	–	786	–

6 Analysis of expenditure on charitable activities

	Activities undertaken directly	Support costs		Total 2019	Total 2018
		2019	2019		
		£	£		
Prevent	316,581	85,213	401,794	399,274	
Rescue	544,050	131,212	675,261	794,883	
Restore / Reform	380,037	108,340	488,378	340,662	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,240,669	324,766	1,565,435	1,534,820	

Support costs are all the costs that are not directly identifiable to a particular programme or activity and include human resources and payroll, information technology; finance; marketing; communications; head office staff and establishment costs; and general administration. Allocation is made on a per capita basis.

7 Auditors remuneration

	Group	Charity	
		2019	2018
		£	£
Audit of the financial statements		9,701	5,819
		<hr/>	<hr/>
		3,000	2,224

Notes to the financial statements

For the year ended 31 March 2019

8 Employee Benefits	2019 £	2018 £
Salaries and Wages	1,322,766	1,306,716
Social Security costs	129,990	132,769
Employers Pension contributions (defined contribution scheme)	21,440	22,566
	<hr/> <u>1,474,196</u>	<hr/> <u>1,462,051</u>

Pension contributions are allocated to the activity or fund (restricted or unrestricted) on the basis of the work undertaken by the individual concerned. Allocation of support staff costs are explained in detail in note 5.

Number of employees who received £60,000–£69,999 p.a.	2	1
Number of employees who received £70,000–£79,999 p.a.	1	1

Average number of employees	<hr/> <u>52</u>	<hr/> <u>49</u>
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Remuneration paid to the trustees in their capacity as trustees during the year was £nil (2018 – £nil). Employee benefits paid to an increased management team during the year was £306,751 (2018 – £267,438)

9 Tangible fixed assets	Group		
	Fixtures & Fittings £	Computers & Equipment £	Total £
Cost or valuation			
At 1 April 2018	38,193	66,038	104,231
Additions	(36)	19,399	19,363
Disposals	–	(398)	(398)
At 31 March 2019	<hr/> <u>38,157</u>	<hr/> <u>85,038</u>	<hr/> <u>123,195</u>

Depreciation			
At 1 April 2018	16,221	43,865	60,086
Charge for the year	9,524	10,814	20,338
Disposals	–	(183)	(183)
At 31 March 2019	<hr/> <u>25,744</u>	<hr/> <u>54,497</u>	<hr/> <u>80,241</u>

Written down value			
At 31 March 2019	12,413	30,541	42,953
At 31 March 2018	<hr/> <u>21,972</u>	<hr/> <u>22,172</u>	<hr/> <u>44,145</u>

Hope for Justice

Notes to the financial statements

For the year ended 31 March 2019

10 Tangible fixed assets cont.

	Charity		
	Fixtures & Fittings £	Computers & Equipment £	Total £
Cost or valuation			
At 1 April 2018	37,192	62,428	99,620
Additions	(36)	17,389	17,353
Disposals	-	-	-
At 31 March 2019	37,156	79,817	116,973

Depreciation

At 1 April 2018	15,749	42,581	58,330
Charge for the year	9,291	9,685	18,976
Disposals	-	-	-
At 31 March 2019			
	25,039	52,267	77,306

Written down value

At 31 March 2019	12,117	27,551	39,667
<hr/>			
At 31 March 2018	21,443	19,846	41,290
<hr/>			

11 Investments

		Group		Charity	
		2019 £	2018 £	2019 £	2018 £
Investment in subsidiaries		-	-	3,625	3,625

Subsidiary undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
No More Slaves Ltd	England & Wales	Ordinary	100%	Dormant
Hope for Justice International	England & Wales	Ordinary	100%	Dormant
Slave Free Alliance Ltd	England & Wales	Ordinary	100%	A social offering businesses a range of services to help them identify and remove human exploitation from their supply

Hope for Justice

Notes to the financial statements

For the year ended 31 March 2019

chains. The services include awareness training, gap analysis, due diligence, risk management and help with investigations, crisis response, remediation and Slavery and Human Trafficking Statements.

Hope for Justice AS	Norway	Ordinary	100%	Advance the education of the public regarding people trafficking and slavery
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12 Stock	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Finished goods	13,672	8,036	13,367	7,782

The stock is valued at purchase price.

13 Debtors	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	55,322	53,329	30,517	53,329
Other debtors	146,816	96,713	252,603	65,981
Inter-company loan	-	-	-	18,000
Prepayments	2,443	12,400	2,443	12,400
Income Tax Receivable (Gift Aid)	1,979	1,979	1,979	1,979
	206,560	164,421	287,542	151,689

Charity debtors of £252,603 include £136,607 owed by subsidiary Slave Free Alliance, £80,541 owed by Hope for Justice Inc. an affiliated company incorporated in US, and £18,005 owed by Hope for Justice AS a subsidiary company incorporated in Norway

Amounts owed by group undertakings include an interest free loan of £136,607 to Slave Free Alliance. The loan finance was provided as start-up and working capital for the trading subsidiary and will be repaid in full

14 Creditors	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due within 1 year:				
Trade creditors	30,093	54,197	24,644	52,261
Other creditors	240,733	119,857	212,133	127,447
Social Security and Other Taxes	48,575	38,193	41,074	32,418
Accruals and deferred income	6,426	20,949	949	20,949
	325,828	233,197	278,801	233,076

Hope for Justice

Notes to the financial statements

For the year ended 31 March 2019

15 Transactions with related parties

2019

£

A Gibson	Director	-	Travel and subsistence expenses	576
W Taylor	Director	-	Travel and subsistence expenses	25

During the year the Group purchased consultancy services from First Fruits Ltd totalling £31,023 (2018 £4,970) The services provided were in respect of the initial set up of the trading subsidiary Slave Free Alliance Limited Gareth Henderson is a Director of First Fruits Ltd, a Trustee of Hope for Justice and Director of Slave Free Alliance Ltd

During the year, First Fruits Ltd paid a membership fee of £900 to Slave Free Alliance Ltd in 2019 (2018 £0)

16 Donations from directors

The total amount given to the charity by its trustees during the year was £21,668 (2018 – £16,160)

17 Analysis of Group net assets by fund

	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
Tangible fixed assets	42,953		42,953	44,144
Current assets	1,250,019	312,332	1,562,351	728,992
Current liabilities	(325,828)	-	(325,828)	(233,197)
	967,145	312,332	1,279,477	539,939

18 Analysis of Charity net assets by fund

	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
Tangible fixed assets	39,667	-	39,667	41,290
Investments	3,625	-	3,625	3,625
Current assets	871,945	312,332	1,184,277	555,104
Current liabilities	(278,801)	-	(278,801)	(233,076)
	636,436	312,332	948,768	366,944

19 Restricted funds

	B/fwd 01/04/18	Received in year	Utilised in year	C/fwd 31/03/19
Prevent	26,295	87,000	77,248	36,047
Rescue	34,274	206,336	121,024	119,586
Restore / Reform	53,929	127,770	25,000	156,699
	114,498	421,106	223,272	312,332

Notes to the financial statements

For the year ended 31 March 2019

20 Operating leases

As at 31 March 2019, the Charity had future commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	Group	Charity	
	2019	2018	2019
	£	£	£
Land and buildings			
Less than one year	41,810	41,810	34,800
Between two and five years	34,800	34,800	34,800
	76,610	76,610	69,600
			69,600