

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 2023

Hope for Justice

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Reference and administrative information

For the year ended 31 March 2023

Company number 6563365

Charity number 1126097

Registered office Hope for Justice
3rd Floor, the Lexicon
Mount Street
Manchester
M2 5NT

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:

R Camp * ** ***	(Chair)
A Gibson **	
C Almond *	
E Ajayi ** ***	
S Illingworth * ***	
I Pettigrew ***	resigned 23 February 2023
S Olafsrud	resigned 23 February 2023
K Westfall	
A Donnell *	appointed 14 July 2023
C Hayden * ***	appointed 1 June 2023
A Williams	appointed 17 August 2023

* Member of the Finance Sub-Committee

** Member of the Risk and Compliance Sub-Committee

*** Member of the People and Culture Sub-Committee

Within the management team, the Key Management Personnel are as follows:

Chief Executive Officer

Chief Financial Officer

International Operations Director

International Development Director

International Programme Director

Head of Digital & Communications

Chief Strategy Officer

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For the year ended 31 March 2023

Bankers	HSBC City Branch Park Row Leeds LS11LD	CAF Bank 25 Kings Hill Avenue West Malling Kent ME19 4JQ
Auditors	Crowe U.K. LLP Statutory Auditors 4 th Floor St James House St James Square Cheltenham GL50 3PR	

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Trustees' annual report

For the year ended 31 March 2023

The trustees of Hope for Justice present their report and audited financial statements of the charitable company and its subsidiary companies for the year ended 31 March 2023 which, together, form the Hope For Justice Group.

The list of entities that are consolidated within these accounts are (more information in Note 11):

Hope for Justice – UK
Slave-Free Alliance Ltd – UK
No More Slaves Ltd UK (Dormant)
Hope for Justice International – UK (Dormant)
Hope for Justice AS – Norway
Slave Free Alliance AS – Norway
Hope for Justice Inc. – USA (including operations in Cambodia)
Slave Free Alliance Inc – USA
OK200:Stop The Traffic – USA
Lilipad Haven – USA
Retrak – UK (including operations in Africa)
The Tigers Club Project Limited – Uganda
Hope for Justice Australia Limited – Australia
Slave Free Alliance Australia Limited – Australia
Hope for Justice Hong Kong
No More Traffik Limited

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 charitable Group. This report looks at what the Group 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 Group has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the Group's aims, objectives and activities remained focused on its stated purposes.

In setting plans and priorities for areas of work, the Trustees have regard to the guidance from the Charity Commission on the provision of public benefit and the Group meets the definition of a public benefit entity under FRS 102. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

The principal 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

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- 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 or Modern Slavery
- The advancement of awareness amongst the general public of the prevalence of Human Trafficking or Modern Slavery
- Improving the response from front line professionals working with potential victims of Human Trafficking or Modern Slavery 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

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

- Prevention
- Rescue
- Restoration
- Reformation

Programmatic Outcomes

This year, our work reached 203,352 men, women, boys and girls. This is the largest reach figure in the history of Hope for Justice, and the first time we have managed to reach more than 200,000 people in a single year.

A higher proportion of our reach figure this year compared to last was direct service provision to beneficiaries, at 25% of people reached, up from 21% last year. Examples of Direct reach include people directly rescued from modern slavery, helped through aftercare, professionals given intensive training and those participating in our Self-Help Groups. Indirect reach means family members of our beneficiaries who indirectly benefitted from our work, those attending community anti-trafficking awareness and education events, and those reached through online and virtual outreach sessions.

Some highlights of our work:

- 1,658 children served at our Lighthouses (759 girls and 899 boys)
- 1,474 children reintegrated with their families and teenagers assisted into independent living
- 12,174 people participated in one of our Self-Help Groups. 609 of these groups were active during the year, with 12 new groups established in 2022-23
- 12,183 people trained globally via 293 training sessions
- 133,925 people reached through community education and awareness sessions, child wellbeing clubs, community conversations, and child protection committees
- 188 victims of modern slavery or human trafficking removed from their situation of exploitation (either direct or assisted)
- 78 survivors supported by our Independent Modern Slavery Advocates (IMSAs), plus 17 family members and dependents
- 2,106 beneficiaries received our most intensive one-on-one service provision, at Lighthouse shelters, from our Hub / Regional Center teams, or our IMSAs
- 11,373 people engaged through outreach services globally, including potential victims of trafficking and those most vulnerable to it

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- 119 members of Slave-Free Alliance, including 14 FTSE 100 businesses

Our work reached all these people at a time when we have been seeing the continuing fallout from Russia's invasion of Ukraine and the associated crisis of displaced, vulnerable people and the gangs targeting them. The after-effects of the Covid pandemic and the lockdowns continued to have an impact on our programmes, especially in certain countries where we work.

Around the world, there have been some real positives in terms of public, government and business awareness and action on this issue. Significant legislation was passed and came into force in multiple countries targeting forced labour in supply chains. Many more businesses became members or clients of Slave-Free Alliance, our social enterprise that stands alongside organisations to help them mitigate risks and protect their supply chains, which ultimately protects vulnerable workers from being trafficked and exploited.

Below are some of our projects and programmatic achievements that we carried out during the year:

Outreach

During 2022–23, our specialist teams engaged with vulnerable adults and children in the community. We helped children and teenagers out of dangerous and vulnerable circumstances, such as living alone on the streets, and encouraged them to join our Lighthouse centres for safe shelter, counselling, educational opportunities, fun activities and eventually, reintegration or transition to independent living. Just under half of all children at our Lighthouses came via outreach work, the rest via referrals from police and other agencies. With adults, our teams used community engagement, cultural knowledge and language skills to connect with vulnerable populations and individuals, or begin the process of a rescue out of exploitation. We also ran trafficking prevention initiatives.

Rescue

Many of our countries host specialist Hubs and Regional Centres staffed by experienced investigators and/or multilingual community engagement specialists. Our rescue work comprises all the activities and services that Hope for Justice provides directly and indirectly to victims and survivors of trafficking, to support them at the beginning of their journey towards their preferred outcome of recovery and safety. This is unique to the individual, but commonly will focus on activities including:

- 1) identification as a victim (through outreach, community engagement, awareness-raising, training, investigations and referrals);
- 2) an exit from a situation of exploitation or vulnerability, whether through physical removal (where this is appropriate, and usually alongside law enforcement), placement into a temporary shelter or supported housing, or entry into our Lighthouse programme. We also act as an alternative pathway out of exploitation for victims too scared to engage directly with police;
- 3) getting to an initial position of stability (physically and mentally) to continue their journey of recovery.

Intelligence gathered about traffickers and gangs was shared with law enforcement.

Training

During 2022–23, we offered accredited training to people and organisations who may come into contact with victims and survivors of modern slavery. We offer short basic awareness training as well as longer, in-depth courses on modern slavery for practitioners and professionals.

Transitional care – children (Lighthouses)

Our Lighthouses provide temporary care and support for vulnerable and exploited children, keeping them safe from the dangers of the streets or their previous circumstances as we work to assess their physical, mental and emotional health and their circumstances.

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Our Lighthouses also offer individual and group counselling and are complemented by our Shine Schools, where children receive catch-up education and life skills training. Older children and teenagers also get help with vocational training to develop skills for employment.

Family reintegration – children (Lighthouses)

While children are being cared for at our Lighthouses, we work to trace their families when possible, and consider how best to safely return them back to their families or to family-based care. We support families to prevent children separating from them again.

Reintegration to biological or extended families is only considered when they are able to provide safe care and where any risk of re-trafficking or re-exploitation is low, as assessed by our case managers.

The child must be an active participant in the decision. Where family reintegration is unsafe or impossible, other options include specialised long-time care with another agency or independent living combined with vocational and business skills training.

Community prevention of human trafficking

Our community prevention programmes are focused in Uganda and Ethiopia. They are designed to strengthen families, communities and systems to prevent children separating from their families and from being trafficked, exploited or enslaved. They tackle root causes, such as poverty, family stress, peer pressure on children to abandon their families to seek new opportunities, and attitudes viewing children as economic assets. The programmes consist of:

- Self-Help Groups: A fixed group of participants (usually women) who meet weekly and are financially and socially empowered through pooled savings and loans, training in effective parenting, child protection, anti-trafficking, and other skills. A variation on this approach is the fixed-term Village Savings and Loans Associations (VSLAs) for areas where populations move around a lot, such as urban slums.
- Child Protection Clubs (typically in schools) and Hubs (typically in urban slums): Students or children meet weekly, supervised by a volunteer mentor, to learn about children's rights and the dangers of trafficking and unsafe migration. The students or children then educate others through school and community events. The Hubs are safe spaces for study, play and support for children in or out of formal education.
- Community Awareness Raising: Mass media campaigns and training for community leaders, to reduce the risk of trafficking and exploitation.
- Child Protection Committees: Key stakeholders such as government officials, police, schools, community and religious groups working together to better protect children and ensure reports of abuse are followed up and acted on.
- Youth Training: Small business skills training and/or apprenticeship training to create opportunity and reduce vulnerability.
- Community Conversations: Structured discussions between groups of people affected by complex community problems in Ethiopia specifically. For example, we bring together domestic workers, employers, brokers and community leaders to discuss complex shared issues of exploitation, human rights and unsafe migration, and agree changes that benefit all.

Safe aftercare – adults

In North Carolina, we are providing holistic, trauma-informed aftercare for survivors through our new RISE Program (Restore, Inspire, Strengthen, and Empower): an integrated suite of services that contributes to the sustainable improvement of the wellbeing, safety, and self-sufficiency of survivors.

We do this through trauma-informed care and support, community engagement, clinical therapy and comprehensive individualised case management, including connecting survivors to services in the local community. We walk alongside them each step of the way, advocating on their behalf and guiding them through the social services and legal systems.

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Advocacy – adults

Hope for Justice has provided independent advocacy in the UK for more than 10 years, taking a holistic approach and responding to survivors' requests for a single point of trust, to advocate for them in navigating and understanding the complex systems that they transition through during the process of recovery.

Our multi-disciplinary Independent Modern Slavery Advocates (IMSAs) help survivors to access housing, financial support, good-quality employment opportunities, psychological help, legal advice and more. We guide them through the criminal and civil justice processes and ensure their voice is heard to shape their own future.

We also provide an Advocacy Advice Service for professionals at other organisations. Our IMSA Model Development Project, active throughout 2022–23 and still going, is aimed at eventually providing an accredited framework that can be used by other organisations to deliver a standardized IMSA service throughout the UK. Hope for Justice, The Snowdrop Project and British Red Cross, together with consultants with lived experience of modern slavery, are leading this collaborative effort.

Monitoring and Evaluation

In our projects, we work both directly (e.g. one-on-one service provision) and indirectly (e.g. community-based events with limited direct intervention). Our MEAL (monitoring, evaluation, accountability, and learning) function uses programme or project planning, data collection, collation and analysis to understand programme effectiveness and impact while ensuring accountability to beneficiaries, funders and other stakeholders. It also generates learning for organisational use. Our MEAL function generated and verified the impact statistics above.

Response to Ukraine crisis

We have been part of the anti-trafficking response to the Ukraine crisis ever since Russia launched its invasion. During 2022–23:

- We created multilingual resources for those fleeing the conflict, and those likely to come into contact with them.
- We jointly launched a website called 'Ukrainians Welcome – Stay Safe in the UK'.
- We convened 70+ anti-trafficking organisations to sign a letter condemning the invasion and showing how conflict feeds human trafficking.
- We jointly wrote to the largest mobile networks urging them to send a simple anti-trafficking safety advice text to Ukrainians the moment they arrive in the UK and switch on their phones. Ukraine's two biggest networks, Vodafone and Kyivstar, agreed to do so.
- We worked to ensure Ukrainians placed under the UK Government's Homes for Ukraine initiative (or any other channel) were not at risk of being exploited, and to ensure those affected by modern slavery got support.

Reform and policy

Our direct work with victims and survivors informs Hope for Justice's work on national and international policy reform and legislative engagement, creating long-term sustainable frameworks for an anti-slavery ecosystem.

Highlights from our work with UN agencies and international bodies

- In May 2022, we hosted a side event at the 31st session of the UN's Commission on Crime Prevention and Criminal Justice (CCPCJ), focusing on survivor-centred approaches to trafficking prevention.
- We spoke at the UN Office on Drugs and Crime's Constructive Dialogues on Trafficking In Persons and the Smuggling of Migrants, on how civil society contributes to joint or parallel investigations and specialized anti-trafficking prosecutions.
- We attended and contributed to the 1st Interpol Senior Working Group on Child Safeguarding.
- We hosted and spoke at an NGO side event at the 67th Session of the UN's Commission on the Status of Women.
- In October 2022, we spoke at the 11th Session of the Conference of the Parties to the UN Convention Against Transnational Organized Crime in Vienna. We spoke about the importance of safe and legal migration routes to prevent both people smuggling and people trafficking.
- We attended OSCE (Organisation for Security and Co-operation in Europe) events in Vienna on anti-trafficking issues in April 2022 and April 2023, where our CEO Tim Nelson also met with former British Prime Minister, Theresa May MP

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Highlights from our policy and reform work in specific countries

Ethiopia

- We worked with Addis Ababa police to improve investigative systems in trafficking cases through forensic interview and investigation, so perpetrators are held accountable.
- With the federal Ministry of Women and Social Affairs (MoWSA), we established the country's first National Child Parliament, with 131 members, to ensure meaningful child participation in processes and policies that affect them and their rights.
- The UN Special Representative of the Secretary General on Violence against Children visited two of our Lighthouses, sharing views and holding discussions with the children and staff.
- Hope for Justice is convening a new consortium of shelter service providers working on child exploitation in Addis Ababa.
- We organised a research conference in October 2022, bringing together academics, policy makers and civil society organisations to discuss mental health issues when dealing with victims, families, communities, and law enforcement.
- We provided hundreds of hours of specialized training in Ethiopia during 2022–23. We offered child protection training for officials, community members and religious leaders to reduce children's risk of trafficking and abuse through addressing discrimination and social exclusion.
- We provided victim-focused law enforcement training on trafficking and gender-based violence to judicial officers, law enforcement and social services workers in the Amhara National Region, and offered training and post-training support for Addis Ababa and Federal Police. We gave rigorous case management training for governmental actors and offices. There has been progress in implementing consistent, effective and systematic services for victims of trafficking. We also provided mental health training for social workers and frontline workers, including access to one-to-one and group counselling sessions.

United Kingdom

- We contributed to the Modern Slavery Strategy reviews in England & Wales, and in Scotland.
- We provided evidence, briefings, draft amendments and advocacy on the potential harmful impact of the Nationality and Borders Act and subsequent guidance. This included evidence to the Home Affairs Committee Inquiry into Human Trafficking.
- We provided similar evidence in 2023 about the Illegal Migration Bill. This included submitting written evidence to the Joint Committee on Human Rights Inquiry on the Illegal Migration Bill.
- We engaged with support providers and local authorities on meeting the needs of trafficking survivors through the Care Act 2014.
- We engaged with HM Prison and Probation Service to improve policy and responses to modern slavery within their **systems**.

Uganda

- Hope for Justice coordinated the co-development of evidence-based National Guidelines on Care and Support for survivors of trafficking in persons, with the Uganda Ministry of Gender, Labour & Social Development and the Rights Lab of the University of Nottingham.
- We provided practical training on trauma-informed care to frontline practitioners drawn from anti-trafficking organisations in Uganda through an immersive learning programme.
- We helped train judicial officers on victim-centred, trauma-informed approaches in court processes, with the Human Trafficking Institute, and we helped to develop an agreement between the Office of the Director of Public Prosecutions and CIVIPOL for the enhancement of victim participation in court processes for perpetrator accountability.
- We helped with the National Communications Strategy for Prevention of Trafficking in Persons, led by the National Task Force.

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– We participated in civil society training on applying the Instruments of the Review Mechanism of the UN Convention against Transnational Organised Crime. This led to the formation of a regional network of civil society groups from Eastern and Southern Africa to coordinate in support of the implementation of the Convention.

United States of America

– Hope for Justice successfully advocated for the inclusion in an upcoming Bill of mandatory regular training for all hotel employees to recognise the signs of human trafficking and report appropriately. Hope for Justice was one of only two anti-trafficking organisations invited to submit testimony for the committee hearing into the implementation of new legislation that would address significant gaps in the federal policy response to trafficking.

– We promoted and were official stakeholders in four critical child protection and exploitation Bills: the STOP CSAM Act, the SHIELD Act, the Protect Safe Childhood Act and the EARN IT Act.

– We conducted outreach and advocacy for the re-introduction of the Trafficking Survivors Relief Act, which would expunge unjust criminal records related to the trafficking experience of survivors.

– In February 2023, we convened the second annual Anti-Trafficking in Persons Policy Roundtable in the U.S. Senate, attended by nine Congressional offices and more than 20 influential anti-trafficking organisations to discuss policy priorities at the start of the 118th Congress.

Slave-Free Alliance

Slave-Free Alliance (SFA) was created by Hope for Justice in April 2018. It now has 119 members, of which 14 are constituent businesses of the FTSE 100 index. SFA works with organisations of all sizes and complexity – from multinational companies, to individual hand car wash businesses. It operates in the UK, USA, Australia and in Norway. SFA is a social enterprise that is wholly owned by Hope for Justice, with all profits reinvested in our charitable projects. The SFA team has a track record of supporting organisations of all sizes and from many sectors to build their resilience to modern slavery and labour exploitation, in their own operations and also vitally in their supply chains around the world. Their ambition is to act as a 'critical friend' to businesses who are trying to do more in this area.

Fundraising

The issue of ethical fundraising remains an area of concern for the public. 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. We do not look to approach donors through street or door to door fundraising.

Further detail about our fundraising during the year is included in our Financial Review below.

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. Hope for Justice is not aware of any failure to comply with the standards and has received no complaints in relation to fundraising activity.

As above Hope for Justice will only contact individuals who have indicated that they are willing to be contacted and this will be in the form of thanking the individual for donating or as an update on our programme activities and current issues surrounding modern slavery, rather than a request for donations. Hope for Justice provides training for all of our fundraising team to know the best approach to donors so they are not put under any unreasonable pressure.

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Financial review

During the year Hope for Justice continued to expand its operations by increasing the number of frontline staff delivering services and bolstering the senior leadership team to improve governance and oversight as well as acquiring new subsidiaries for fund raising and programmes

Income in the year ended 31 March 2023 has increased to £9.52m from last year at £8.91m. We continue to invest in fundraising activities and we measure and review our investments in these activities to ensure that we achieve acceptable returns. As we grow, recurring income becomes a smaller percentage of our income but is still significant, the majority of this from private individuals. In addition, we continue to attract a wide range of major donations on a multi-year basis from businesses, trusts and foundations. The proportion of unrestricted income remains high, giving the trustees the ability to invest in activities, as it deems necessary. In the year to 31 March 2023, unrestricted income represented 70.4%: (2022: 67.2%)

We have so many loyal supporters who continue to fund our work. Without you, we would not be able to continue to prevent exploitation, rescue victims, restore lives or reform society. All the successes in this report are a testimony to your generosity and vision. Thank you so much for continuing to trust us to use your generous donations wisely.

Expenditure on charitable activities for the year ended 31 March 2023 has increased in the year from £8.31m to £8.84m. A further breakdown of expenditure is presented in note 6 to the accounts.

Expenditure on fund raising activities for the year ended 31 March 2023 increased from £1.59m to £2.10m, as we strengthened and improved our global fund raising team and increased the number of events, especially in USA. Other non-charitable activity costs for the same period increased from £614k to £931k and this is all relating to Slave Free Alliance as below.

The result is a deficit for the year of £2.35m (2022: restated £1.58 m deficit) after exchange differences upon consolidation and a decrease in retained reserves, to £0.33m (2022: restated £2.68m). The split of these reserves is: General (£1.29m) (2022: restated £0.90m), designated £0.59m (2022:£0.83m), and restricted £1.02m (2022:£0.94m).

Slave-Free Alliance, Hope for Justice's social enterprise, continues to expand grow its customer base globally. In the year the SFA companies made a profit before tax of £174k (2022: £45k). Our focus continues to be on developing new sales to deliver profitability in the medium term and investment in the start-up in Australia. Slave Free Alliance continues as a primary purpose subsidiary and will gift aid any future profits to Hope for Justice.

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 the charity is sustained with minimal disruption and where necessary to provide short term funding for new projects. The reserves policy and our remaining free reserve show a deficit of £(1.29m) which does not cover any expenditure and thus we are utilising in month receipts . As part of the forecast approved by the trustees it is to grow both overall and general fund reserves.

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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. Pledges within the US that have restrictions attached are not accounted for until the donation is received. 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.

The trustees recognise the importance of establishing a reserves policy in line with the Charity Commission's CC19 Charity Reserves: building resilience

The Charity will keep under regular review the level of its reserves and its reserves policy and will review this policy at least annually. The Charity will continue to run its finances in an efficient and cost effective manner with the objective of maintaining a balanced budget and to get the maximum value from Charity expenditures. However, the Charity recognises that there are inherent uncertainties in the budgeting process and that prudent financial management may require the maintenance of unrestricted reserves in certain circumstances. The policy is a group wide policy and is applied to total reserves and is not split by geography or legal entity. The Charity has identified through a risk review process that it may have to hold reserves for designated purposes. The level of each designated reserve is reviewed on an annual basis.

The Trustees will review the policy at least annually in order to consider the needs and appropriate size of designated reserves for specific future uses, as well as maintaining sufficient other unrestricted funds for contingency purposes.

The budget and forecasts to 31 March 2025 have been set and agreed on a group basis. This shows that there are some uncertainties in relation to income within the group and the timing of when that income will be received. The organisation, as part of the going concern review is looking at a fundamental restructure of its activities and to be able to build its reserves for the year ended 31 March 2025.

As a charity, The Group is always reliant on donations received, and so there are always uncertainties over the income streams available. Post year end into the year ended 31 March 2024, The Group's financial position has been continued to be adversely affected by a number of factors:

- The instability caused by the war in Ukraine, creating pressure on global prices ranging from 10% to 35% inflation in our countries of operation
- Higher interest rates
- A post pandemic fall in regular donations as our donors also feel the above effects, as has been seen within the charitable sector as a whole
- Cancellation/postponement of fundraising events due to reducing desire of supporters
- Issues with recruiting and retaining fund raising staff resulting in lower than planned revenues

However, the Trustees are of the view that the results for the year to 31 March 2024 will show an underlying cash balance, but that reserves are forecast to be circa £250k, but which is below the stated policy. The approved budget for the year to 31 March 2025, shows a reduction in the cost base with a realistic view of revenues and no increases, and cash at 31 March 2025 being forecast at circa £1.6m.

The Group has no borrowing facility and meets its day-to-day working capital requirements through careful cash flow management and a mix (as shown in the financial statements) of secured multiyear grants as well as a mix of regular and one off donations from a range of individuals, Trusts & Foundations and Institutions.

Post year end, a number of actions have been taken to reduce the cost base which The Group will benefit from going forwards. In addition a restructured focus on fundraising activities will help strengthen and improve income streams and

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actions that have been taken to reduce the cost base and cash flow requirements, but also have available further actions should income not materialise. These mitigations include:

- Changes in timing of events to improve cash flow
- Changes to programme activity, not impacting restricted funding
- Changes to fundamental programme strategy
- Changes in non-programme staffing
- Changes to non-programme running costs
- Changes to other non-charitable activity, delaying investment in growth plans
- Accessing short term funding to alleviate short term cash requirements

Having assessed the circumstances the Trustees have determined there is a degree of uncertainty to raise all the income required to meet all its proposed expenditure and have determined there is a material uncertainty as to the ability of the group to continue as a going concern for the foreseeable future. However they believe it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments if the group were unable to continue as a going concern.

COVID-19

The impact of the global pandemic has not impacted the financial statements for the year ended 31 March 2023 and no revision of any estimates or valuations has been required. Travel by all staff within and between countries had been impacted but gradual relaxation of restrictions has meant that travel and operations have returned to a new normal level. However, we have continued to utilise new technologies to help reduce costs where possible.

Staff & client safety is the primary concern of Hope for Justice. As such, the management review and follow advice from regional and national governments to minimise unnecessary contact and following all health & safety guidelines where contact is deemed necessary as part of our activities.

We continue to review our cost base and ensure that costs are at an appropriate level.

Plans for the future

It is still the intention of the board to move all transactions from Retrak to Hope for Justice and for Retrak to become a dormant entity, and will happen during the year to 31 March 2024. In the US, the intention for both OK200: Stop the Traffik and LiliPad Haven is to move all transaction into Hope for Justice Inc. and wind up the legal entities.

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. During this year, there has been further investment in infrastructure and sales development, which has driven sales and profitability. The trustees anticipate and are prepared to provide further financial support during the coming year as sales momentum builds globally. However, having reviewed sales and cost projections they are confident that Slave Free Alliance will continue to be 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 to monitor the efficacy of its work in removing human exploitation from companies' supply chains.

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Structure, governance and management

Constitution

Hope for Justice is a UK 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 and amended on 15 June 2021. It is registered as a charity with the UK Charity Commission (charity number 1126097), and with the Scottish Charity Regulator (charity number SC045769).

At 31 March 2023 there were six member-trustees each of whom has agreed to contribute £10 in the event of the charity winding up.

There group subsidiaries are listed at the start of this report and their relationship to the parent, the basis of consolidation, results and reserves are shown in Note 11 to the accounts

Method of appointment or election of trustees

Trustees are appointed by the members and trustees retire after three years' service 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.

As the Group continues to grow, the trustees are reviewing the governance and oversight structure to ensure this remains both efficient and effective.

The trustees are supported by three sub-committees comprised of main trustee board members, special advisers and executives:

The Risk and Compliance 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

The People and Culture Sub-Committee – which has been set up post year end to consider and review all aspects affecting staff and the culture within Hope for Justice.

During this financial year, All committees met on three occasions and have met after the year-end. The trustee membership of each committee is shown on page 1.

For all staff including senior management, we benchmark against market rate through our recruitment process when new roles and/or backfills are required. We commissioned the Birches survey for benchmarking but have been unable to implement uplifts due to financial constraints. We have applied a cost of living uplift to our budget (4%).

Any pay rises outside of cost of living for the Executive are approved by the Board.

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 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 and it also receives reports from the Trustee Risk and Compliance Sub-Committee, which reviews all the risk registers prepared by the Executive Team in detail.

The most significant risks last year were and continue for the year ahead are:

Global instability and inflation. The ongoing war in Ukraine has caused many issues over and above the direct impact on the people of Ukraine and the refugees it has created. Together with various countries own domestic conditions and the increase in gas prices, due to the ongoing war, we are seeing inflation rise dramatically across the globe. This is having an impact on our own cost base as well as the disposable income of many donors. The strategy of the Group is continually being reviewed by the Executive team and ensures that opportunities for growth are managed, as is the effectiveness and cost base of programmes in the light of potential reduced income.

Income generation. As noted above there are material uncertainties around income and the various streams from which we derive that income. The Charity is investing in its development team and income generation strategy, as well as its reporting and forecasting for each income line. This investment will strengthen the income raising ability, especially in the US and the reporting & forecasting will allow early warnings, so that mitigating actions can be implements as soon as required.

Currency valuations. Affecting both the above risks is currency stability, which could affect reported income or costs (positively or negatively). As our reach grows and our programmes develop we have potential impact of our reporting currency's valuation against currencies where we have operations, especially where income and costs are in different currencies. Cash balances are held in the main in major currencies (GBP & USD) and remitted in cash to operations as cash requirements demand. However, during 2022, the GBP was adversely affected against most currencies.

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 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 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

Hope for Justice

Trustees' annual report

For the year ended 31 March 2023

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.

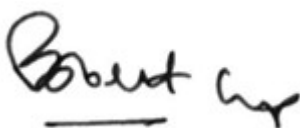
Insofar as the trustees are aware:

- 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

Crowe U.K. LLP have expressed their willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 26 March 2024 and signed on their behalf by



R. Camp
Chair

Independent auditors' report

To the members of Hope for Justice

Qualified Opinion

We have audited the financial statements of Hope for Justice ('the charitable company') and its subsidiaries ('the group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matter described in the basis of qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2023 and of the group's 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 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for qualified opinion

We were unable to obtain bank statements or a third party bank confirmations at 31 March 2023 to verify the year end bank balances of 4 bank accounts in Ethiopia. We were unable to satisfy ourselves by alternative means of the balances held at 31 March 2023 which are included in the balance sheet at £9,666 by using other audit procedures. Consequently, we were unable to determine whether any adjustments to these amounts was necessary.

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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material uncertainty related to going concern

We draw attention to Note 1.2 in the financial statements, which indicates that the group has experienced a shortfall in income since the balance sheet date and as a result may not be able to meet its liabilities as they fall due over the foreseeable future. Mitigating actions are being taken to reduce the cost base of the group and increase or accelerate donations and other income. As stated in Note 1.2, these events or conditions, along with other matters as set forth in Note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the year end balance of £9,666 concerning the Ethiopia bank balances.

Opinions on other matters prescribed by the Companies Act 2006

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our

Independent auditors' report

To the members of Hope for Justice

opinion based on the work undertaken in the course of our 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

Arising solely from the limitation of scope of our work relating to the bank accounts for Ethiopia, referred to above:

- We have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- We were unable to determine whether adequate accounting records have been kept.

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 requires us to report to you if, in our opinion:

- 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members and significant component audit teams. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

Independent auditors' report

To the members of Hope for Justice

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were anti-fraud, bribery and corruption legislation, employment legislation. We also considered compliance with local legislation for the group's overseas operating segments.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant income and the override of controls by management. We refer you to the basis of qualified opinion section of our audit report. Our audit procedures to respond to these risks included enquiries of management and the Finance Sub-Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, reading minutes of meetings of those charged with governance and sample testing of grant income.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, 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 those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions, we have formed.



Tara Westcott
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
4th Floor
St James House
St James Square
Cheltenham
GL50 3PR

Date: 28 March 2024

Hope for Justice

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

For the year ended 31 March 2023

	Notes	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 Restated £
Incoming and endowments from:					
Donations and legacies	2	5,706,917	2,820,245	8,527,162	8,246,783
Charitable activities	3	380	–	380	8,643
Other trading activities	4	986,433	–	986,433	627,215
Income from investments	5	7,971	–	7,971	8,113
Total		6,701,701	2,820,245	9,521,946	8,890,754
Expenditure on:					
Raising funds		2,098,470	–	2,098,470	1,592,547
Charitable activities	6	6,129,544	2,716,260	8,845,804	8,334,766
Other trading costs		931,177	–	931,177	614,045
Total		9,159,191	2,716,260	11,875,451	10,541,358
Net (expenditure)/income		(2,457,490)	103,985	(2,353,505)	(1,650,604)
Transfers between funds		22,935	(22,935)	–	–
Exchange differences arising on consolidation		86	–	86	67,544
Net movement in funds for the period		(2,434,469)	81,050	(2,353,419)	(1,583,060)
Reconciliation of funds					
Total funds brought forward		1,740,804	942,569	2,683,373	4,266,433
Total funds carried forward		(693,665)	1,023,619	329,954	2,683,373

The group 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 22 to 39 form part of these financial statements

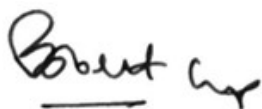
Balance Sheets

For the year ended 31 March 2023

		Group		Charity	
	Notes	2023 £	2022 Restated £	2023 £	2022 £
Fixed assets					
Intangible assets	9	52,675	34,471	-	-
Tangible assets	10	544,200	505,925	232,661	190,049
Investments	11	-	-	6,173	6,173
		<u>596,875</u>	<u>540,396</u>	<u>238,834</u>	<u>196,222</u>
Current assets					
Stock	12	-	-	-	-
Debtors	13	722,857	422,341	280,748	309,249
Cash at bank and in hand		292,051	2,688,837	87,508	694,046
		<u>1,014,908</u>	<u>3,111,178</u>	<u>368,256</u>	<u>1,003,295</u>
Liabilities					
Creditors: Amounts falling due within one year	14	(1,281,829)	(968,201)	(726,085)	(260,568)
Net current (liabilities)/assets		<u>(266,921)</u>	<u>2,142,977</u>	<u>(357,829)</u>	<u>742,727</u>
Total net assets/(liabilities)		<u><u>329,954</u></u>	<u><u>2,683,373</u></u>	<u><u>(118,995)</u></u>	<u><u>938,949</u></u>
The funds of the charity					
Total general funds	17	(1,290,540)	908,439	(291,104)	575,548
Total designated funds	17	596,875	832,365	-	-
Total restricted funds	17	1,023,619	942,569	172,109	363,401
Total charity funds	17	<u><u>329,954</u></u>	<u><u>2,683,373</u></u>	<u><u>(118,995)</u></u>	<u><u>938,949</u></u>

As permitted by s408 Companies Act 2006, the charity has not presented its own profit and loss account and related notes as it prepares group accounts. The charity's deficit and total comprehensive loss for the year was £1,057,944 (2022 – loss of restated £850,424)

The financial statements were approved by the board on 26 March 2024 and signed on its behalf by:



R Camp – Chair

The notes on pages 22 to 39 form part of these financial statements

Hope for Justice

Consolidated statement of cash flows

For the year ended 31 March 2023

	2023	2022
	£	Restated £
Cash flows from operating activities:		
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(2,353,505)	(1,650,603)
Adjustments for:		
Depreciation charges	118,259	74,848
Exchange differences on consolidation	86	67,544
Dividends, interest and rents from investments	(7,971)	(8,113)
Decrease in stocks	-	22,021
Increase in debtors	(300,519)	(151,318)
Increase in creditors	313,626	338,705
Correction of carrying value of investments properties	-	32,930
Adjustment relating to rent prepayments	-	42,304
Net cash provided by operating activities	(2,230,024)	(1,231,682)
Cash flows from investing activities:		
Dividends, interest and rents from investments	7,971	8,113
Purchase of software	(18,204)	(34,471)
Purchase of property, plant and equipment	(156,529)	(339,431)
Net cash used in investing activities	(166,762)	(365,789)
Change in cash and cash equivalents in the reporting period	(2,396,786)	(1,597,471)
Cash and cash equivalents at the beginning of the reporting period	2,688,837	4,286,308
Cash and cash equivalents at the end of the reporting period	292,051	2,688,837
Analysis of cash and cash equivalents		
	2023	2022
	£	£
Cash in hand	292,051	2,613,837
Notice deposits (less than 30 days)	-	-
Notice deposits (more than 30 days)	-	75,000
Total cash and cash equivalents	292,051	2,688,837

Notes to the financial statements

For the year ended 31 March 2023

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) (1 January 2019) – (Charities SORP (FRS 102)). They incorporate the results of the principal activity which is described in the trustee's report.

The company was incorporated on 11 April 2008 in England & Wales as a Private Limited Company by guarantee without share capital with use of 'Limited' exemption. The principal place of business is PO Box 5527, Manchester, M61 0QU and it operates as a Public Benefit Entity.

1.2 Going Concern

The budget and forecasts to 31 March 2025 have been set and agreed on a group basis. This shows that there are some uncertainties in relation to income within the group and the timing of when that income will be received. The organisation, as part of the going concern review is looking at a fundamental restructure of its activities and to be able to build its reserves for the year ended 31 March 2025.

As a charity, The Group is always reliant on donations received, and so there are always uncertainties over the income streams available. Post year end into the year ended 31 March 2024, The Group's financial position has been continued to be adversely affected by a number of factors:

- The instability caused by the war in Ukraine, creating pressure on global prices ranging from 10% to 35% inflation in our countries of operation
- Higher interest rates
- A post pandemic fall in regular donations as our donors also feel the above effects, as has been seen within the charitable sector as a whole
- Cancellation/postponement of fundraising events due to reducing desire of supporters
- Issues with recruiting and retaining fund raising staff resulting in lower than planned revenues

The Group has no borrowing facility and meets its day-to-day working capital requirements through careful cash flow management and a mix of secured multiyear grants as well as a mix of regular and one off donations from a range of individuals, Trusts & Foundations and Institutions.

Post year end, a number of actions have been taken to reduce the cost base which The Group will benefit from going forwards. Having assessed the circumstances the Trustees have determined there is a degree of uncertainty to raise all the income required to meet all its proposed expenditure and have determined there is a material uncertainty as to the ability of the group to continue as a going concern for the foreseeable future. However they believe it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments if the group were unable to continue as a going concern.

1.3 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based upon historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revisions and future periods where the revision affects both current and future periods.

Impairment of non-current assets

The determination of whether there are indicators of impairment of the group's tangible assets. The factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Notes to the financial statements

For the year ended 31 March 2023

There are no estimates or assumptions which have a significant risk of causing a material adjustment to the carrying amount of any assets or liabilities.

1.4 Fund accounting

The group 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 group
- Restricted funds** – Restricted funds can only be used for particular restricted purposes within the objectives of the group. These arise when funds are subject to specific restrictive conditions imposed by funders/donors or by the purpose of the grant.
- Designated funds** – The Trustees may at their discretion set aside unrestricted funds for specific purposes

1.5 Assets policy

a) Tangible fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental expense of acquisition

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:

Freehold Property	5% straight line
Motor Vehicles	25% straight line
	20% – 33%
Fixtures & fittings	straight line
	25% – 33%
Computer & equipment	straight line

Since 2014 Retrak (100% subsidiary of the group) has been recognising land held in its subsidiary Tiger Club Project Limited as investment property. It has been identified that this is the incorrect treatment and land is part of the building which is owned and used by Retrak. As a result a prior year adjustment has been made in the 2022 accounts to show this as a Tangible Fixed Asset. The effects of this are shown in note 20.

1.6 Incoming resources

All income is included in the SOFA when the group is legally entitled to the income, when receipt of the income is probable and the amount can be quantified with reasonable accuracy. The following specific policies apply to categories of income:

- a) Donations and all other receipts generated from fundraising are reported on a receivable basis.
- b) Gifts in kind are valued where the amount is quantified.
- c) Grants receivable income, where related to performance and specific deliverables, is accounted for as the Charity earns the right to consideration by its performance. Where income is received in advance of performance, its recognition is deferred and included in creditors. Where entitlement occurs before income is received, the income is accrued.
- d) Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the bank.
- e) Membership income was previously recognised with a proportion of income recognised upfront then the balance recognised over a four month period. The policy has been changed to spread the income over the life of the contract. The 2022 numbers in these accounts have been restated to reflect this error. The effects are shown in note 20.

Notes to the financial statements

For the year ended 31 March 2023

1.7 Resources expended

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:

- a) Costs of raising funds relate to the costs incurred by the group in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- b) Expenditure on charitable activities includes the direct costs of delivering projects undertaken to further the purposes of the group and their associated support costs.
- c) Support costs are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.
- d) Governance costs are the costs associated with the governance arrangements of the group. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the group's activities.
- e) Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.8 Basis of consolidation

The consolidated financial statements incorporate those of Hope For Justice and all of its subsidiaries (ie entities that the group controls through its power to govern and manage the financial and operating policies). The definition of subsidiary has been revisited and includes those entities that are not directly owned but are directly controlled under a unified management system.

All financial statements are made up to 31 March 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions and balances between group entities are eliminated on consolidation and there are no restrictions on the ability of subsidiaries to transfer funds to the parent charity.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included.

The Trustees have taken the exemption conferred by S408(3) Companies Act 2006, accordingly the accounts present a consolidated Statement of Financial Activities (SOFA) only.

1.9 Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

Notes to the financial statements

For the year ended 31 March 2023

1.10 Investments

Fixed asset investments are stated at cost.

1.11 Stocks

Stocks of foodstuff, clothing, equipment and stationery which were held for future use in project activities had been recognised in the balance sheet. It has been identified that the stock's net realisable value is Nil. As a result a prior year adjustment has been made in the 2022 accounts to show this as expenditure in the year.

1.12 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.13 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Creditors and provisions

Creditors and provisions are recognised where the group has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.15 Defined contribution scheme

A defined contribution plan is a post-employment benefit plan under which the group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the SOFA in the periods during which services are rendered by employees.

For defined contribution schemes the amount charged to the SOFA for pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Hope for Justice

Notes to the financial statements

For the year ended 31 March 2023

2 Donations and legacies

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total 2023 £
Donations and legacies	5,706,917	2,820,245	8,527,162
	<u>5,706,917</u>	<u>2,820,245</u>	<u>8,527,162</u>

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £
Donations and legacies	5,324,389	2,922,394	8,246,783
	<u>5,324,389</u>	<u>2,922,394</u>	<u>8,246,783</u>

3 Charitable activities

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total 2023 £
Speaker and trainer fees	–	–	–
Sale of 'awareness' merchandise	380	–	380
	<u>380</u>	<u>–</u>	<u>380</u>

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £
Speaker and trainer fees	9,404	–	9,404
Sale of 'awareness' merchandise	(761)	–	(761)
	<u>8,643</u>	<u>–</u>	<u>8,643</u>

Hope for Justice

Notes to the financial statements

For the year ended 31 March 2023

4	Other trading activities	Unrestricted	Restricted	Total
		Funds	Funds	
		2023	2023	2023
		£	£	£
	Slave Free Alliance	986,433	-	986,433
		<u>986,433</u>	<u>-</u>	<u>986,433</u>

Slave Free Alliance includes income from wholly owned subsidiaries, Slave Free Alliance Limited (£926,099), Slave Free Alliance Inc, (£72,231), Slave Free Alliance Australia Limited (£19,527) and Slave Fee Alliance AS (£21,223).

Other trading activities	Unrestricted	Restricted	Total	
	Funds	Funds		
		2022	2022	2022
		Restated	2022	Restated
		£	£	£
	Slave Free Alliance	627,215	-	627,215
		<u>627,215</u>	<u>-</u>	<u>627,215</u>

Slave Free Alliance includes income from wholly owned subsidiaries, Slave Free Alliance Limited (£709,024), Slave Free Alliance Inc, (£13,948) and Slave Free Alliance Australia Limited (£19,745).

5	Income from investments	Unrestricted	Restricted	Total
		Funds	Funds	
		2023	2023	2023
		£	£	£
	Bank interest & Other Income	7,971	-	7,971
		<u>7,971</u>	<u>-</u>	<u>7,971</u>

Income from investments	Unrestricted	Restricted	Total	
	Funds	Funds		
		2022	2022	2022
		£	£	£
	Bank interest & Other Income	8,113	-	8,113
		<u>8,113</u>	<u>-</u>	<u>8,113</u>

Hope for Justice

Notes to the financial statements

For the year ended 31 March 2023

6 Analysis of expenditure on charitable activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total 2023 £
Prevent	2,127,393	408,379	2,535,772
Rescue	2,366,461	454,271	2,820,732
Restore / Reform	2,927,357	561,943	3,489,300
	<u>7,421,211</u>	<u>1,424,593</u>	<u>8,845,804</u>

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.

	Activities undertaken directly 2022 Restated £	Support costs 2022 £	Total 2022 Restated £
Prevent	2,039,492	307,868	2,347,360
Rescue	2,562,234	386,777	2,949,011
Restore /Reform	2,639,895	398,500	3,038,395
	<u>7,241,621</u>	<u>1,093,145</u>	<u>8,334,766</u>

7 Net Income/Expenditure

	2023 £	2022 £
Fees payable to The Charity's auditor for the audit of The Charity's annual accounts	16,500	15,000
Additional fee for the year ended 22 payable to the auditors	15,000	-
Fees payable to The Charity's auditor and its associates for other services		
Audit of accounts of subsidiaries	36,400	9,950
Tax compliance services	2,749	975
Total audit fees	<u>70,649</u>	<u>25,925</u>
Depreciation	<u>118,259</u>	<u>74,848</u>
Operating Lease Expense	<u>402,413</u>	<u>303,973</u>

Hope for Justice

Notes to the financial statements

For the year ended 31 March 2023

8 Employee Benefits	2023	2022
	£	£
Salaries and Wages	6,417,126	5,146,887
Social Security costs	577,211	450,412
Employers Pension contributions (defined contribution scheme)	204,828	92,913
	<u>7,199,165</u>	<u>5,690,212</u>
Average number employed during the year	<u>415</u>	<u>384</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 6.

	2023	2022
	No	No
Number of employees who received £60,000–£69,999 p.a.	1	2
Number of employees who received £70,000–£79,999 p.a.	1	2
Number of employees who received £80,000–£89,999 p.a.	–	–
Number of employees who received £90,000–£99,999 p.a.	2	2
Number of employees who received £100,000–£109,999 p.a.	2	2

Remuneration paid to the trustees in their capacity as trustees during the year was £nil (2022: £nil) and no expenses were paid. Employee benefits paid to an increased management team during the year was £666,223 (2022: £564,081)

9 Intangible Fixed Assets

	Group Software £
Cost or valuation	
At 1 April 2022	34,471
Additions	18,204
At 31 March 2023	<u>52,675</u>
Depreciation	
At 1 April 2022	–
Charge for the year	–
At 31 March 2023	<u>–</u>
Written down value	
At 31 March 2023	<u>52,675</u>
At 31 March 2022	<u>34,471</u>

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Notes to the financial statements

For the year ended 31 March 2023

10 Tangible Fixed Assets

	Group			Total
	Freehold land and buildings	Fixtures, fittings and equipment	Motor Vehicles	
	£	£	£	£
Cost or valuation				
At 1 April 2022 – Restated	122,471	538,756	242,211	903,438
Additions in year	–	104,475	52,059	156,534
Disposals in year	–	–	–	–
At 31 March 2023	<u>122,471</u>	<u>643,231</u>	<u>294,270</u>	<u>1,059,972</u>
Depreciation				
At 1 April 2022 – Restated	29,924	235,621	131,968	397,513
Charge for the year	2,500	59,717	56,042	118,259
Disposals in year	–	–	–	–
At 31 March 2023	<u>32,424</u>	<u>295,338</u>	<u>188,010</u>	<u>515,772</u>
Net book value				
At 31 March 2023	<u>90,047</u>	<u>347,893</u>	<u>106,260</u>	<u>544,200</u>
At 31 March 2022 – Restated	<u>92,547</u>	<u>303,135</u>	<u>110,243</u>	<u>505,925</u>
Charity				
	Fixtures and fittings		Computers and equipment	Total
	£		£	£
Cost or valuation				
At 1 April 2022	136,309		119,745	256,054
Additions in year	–		74,101	74,101
At 31 March 2023	<u>136,309</u>		<u>193,846</u>	<u>330,155</u>
Depreciation				
At 1 April 2022	24,169		41,836	66,005
Charge for the year	10,106		21,383	31,489
At 31 March 2023	<u>34,275</u>		<u>63,219</u>	<u>97,494</u>
Net book value				
At 31 March 2023	<u>102,034</u>		<u>130,627</u>	<u>232,661</u>
At 31 March 2022	<u>112,140</u>		<u>77,909</u>	<u>190,049</u>

Hope for Justice

Notes to the financial statements

For the year ended 31 March 2023

11 Investments	Group		Charity	
	2023	2022	2023	2022
	£	Restated £	£	£
Land held at fair value	-	-	-	-
Investment in subsidiaries	-	-	6,173	6,173

Details of the company's subsidiaries at 31 March 2023 are as follows:

Subsidiary Undertaking	Country of Incorporation	Registered Number	Holding	Proportion of voting rights and shares held	Principal activity
No More Slaves Ltd	England & Wales	08692709	Ordinary	100%	Dormant
Hope for Justice International	England & Wales	09440540	Ordinary	100%	Dormant
Slave Free Alliance Ltd	England & Wales	11258651	Ordinary	100%	A social offering businesses a range of services to help them identify and remove human exploitation 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.
Hope for Justice AS	Norway	915 520 995	Ordinary	100%	Advance the education of the public regarding people trafficking and slavery
Slave Free Alliance AS	Norway	828 987 682	Ordinary	100%	Aligned with Slave Free Alliance
Hope for Justice (Australia) Limited	Australia	ABN 28 639 382 782	Ordinary	100%	Advance the education of the public regarding people trafficking and slavery
Slave Free Alliance (Australia) Limited	Australia	ABN 17 639 408 647	Ordinary	100%	Aligned with Slave Free Alliance
No More Traffik Limited	Northern Ireland	NI614396	Ordinary	100%	No activity and all funds remitted to Hope for Justice
Hope for Justice (Hong Kong) Limited	Hong Kong	2904727	Ordinary	100%	Dormant

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For the year ended 31 March 2023

Subsidiary Undertaking	Country of Incorporation	Registered Number	Basis of consolidation	Principal activity
Retrak	England & Wales	6424507	Unified Management Control	Aligned with Hope for Justice
Hope For Justice Inc.	Tennessee, USA	75-3179471	Unified Management Control	Aligned with Hope for Justice
Slave Free Alliance Inc.	Delaware, USA	87-2097945	Unified Management Control	Aligned with Slave Free Alliance
OK200:Stop The Traffic	Iowa, USA	46-4678820	Unified Management Control	Aligned with Hope for Justice
Lily Pad Haven Inc.	North Carolina, USA	45-3036117	Unified Management Control	Aligned with Hope for Justice
The Tigers Club Project Limited	Uganda		Unified Management Control	Hold title to land in Uganda that is used with the charitable operations of Retrak's branch in Uganda

Subsidiary Undertaking	Retrak	Hope for Justice Inc.	Hope for Justice AS	Slave Free Alliance Limited	Slave Free Alliance AS
	£	£	£	£	£
Assets at 31/3/23	536,270	1,344,677	157,835	417,191	14,310
Liabilities at 31/3/23	(188,650)	(330,800)	(172,288)	(422,175)	(136,936)
Net Funds at 31/3/23	347,620	1,013,877	(14,453)	(4,984)	(122,626)
Income for Year to 31/3/23	3,408,645	4,352,452	233,269	873,362	21,223
Expenditure for Year to 31/3/23	3,550,666	4,186,912	665,122	685,573	135,424
Surplus/(deficit) for Year to 31/3/23	(142,021)	165,540	(431,853)	187,789	(114,201)

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For the year ended 31 March 2023

Subsidiary Undertaking	OK200 – Stop the Traffic Inc.	Lili Pad Haven Inc.	Hope for Justice (Australia)	Slave Free Alliance (Australia)	Other Entities
	£	£	£	£	£
Assets at 31/3/23	13,313	3,826	6,766	16,721	1
Liabilities at 31/3/23	-	-	(1,903)	-	(8,104)
Net Funds at 31/3/23	13,313	3,826	4,863	16,721	(8,103)
Income for Year to 31/3/23	96,589	12,369	23,423	19,527	-
Expenditure for Year to 31/3/23	141,083	208,719	7,355	45,609	5,744
Surplus/(deficit) for Year to 31/3/23	(44,494)	(196,350)	16,068	(26,082)	(5,744)

12 Stock	Group		Charity	
	2023	2022 Restated	2023	2022
	£	£	£	£
Finished goods	-	-	-	-

13 Debtors

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	244,033	231,652	5,361	6,587
Amounts due from Group Companies	-	-	245,846	232,835
Other debtors	336,862	104,363	-	45,686
Prepayments	141,962	86,326	29,541	24,141
	722,857	422,341	280,748	309,249

Amounts due from Group Companies includes the following amounts owed by subsidiary companies : £157,513 by Retrak Limited (2022: £nil), £nil by Slave Free Alliance (2022: £134,129), £nil by Hope for Justice Inc. (2022: £10,827), £nil by Hope for Justice AS (2022: £13,729), £3,271 by Slave Free Alliance AS (2022: £482), £76,957 (2022: £56,324) by Hope for Justice Australia, £Nil (2022: £16,354) by Slave Free Alliance Australia and £nil (2022: £990) and £8,105 by Hope for Justice Ireland Limited (2022 : £nil)

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For the year ended 31 March 2023

14 Creditors	Group		Charity	
	2023	2022 Restated	2023	2022
Amounts falling due within 1 year:	£	£	£	£
Trade creditors	18,187	107,478	44,668	88,254
Amounts due to Group Companies	-	-	293,184	-
Other creditors	384,357	215,401	252,791	50,707
Social Security and Other Taxes	286,723	200,184	112,317	79,242
Accruals	269,424	230,538	23,125	42,365
Deferred income	323,138	214,600	-	-
	1,281,829	968,201	726,085	260,568

Amounts due to Group Companies includes £139,583 owed to Hope for Justice Inc. (2022: £nil), £31,445 to Slave Free Alliance Limited (2022: £nil), £119,062 to Hope for Justice AS (2022: £nil) and £3,094 to Slave Free Alliance Australia Limited (2022: £nil).

Movements in deferred income	Group		Charity	
	2023	2022 Restated	2023	2022
	£	£	£	£
Deferred income at 1 April	214,600	99,099	-	-
Amounts released from previous years	(214,600)	(99,099)	-	-
Incoming resources deferred in the year	323,138	214,600	-	-
	323,138	214,600	-	-

Deferred Income relates to annual membership contracts in Slave Free Alliance where this is invoiced annually in advance and the income is recognised over the contract period.

15 Transactions with related parties

During the year, there were no travel and subsistence payments to Directors (2022: £nil). During the year, there were no purchases from related parties. The total amount given to the charity by its trustees during the year was £6,436 (2022: £5,954).

Amounts received in the parent from Group companies during the year are as follows and these are deducted from costs, not treated as revenues:

SFA – £93,128 – a charge for the year for support staff, Executive oversight and property & IT costs

Hfj AS – £143,545 – a charge for Executive oversight, support from Development & Comms and support from the global Programme team

Hfj Inc – £711,436 – a charge for Executive oversight, support from Development & Comms and support from the global Programme team

All charges are at cost and at an arm's length basis

Hope for Justice

Notes to the financial statements

For the year ended 31 March 2023

	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Intangible assets	52,675	–	52,675
Tangible fixed assets	544,200	–	544,200
Current assets	(8,711)	1,023,619	1,014,908
Current liabilities	(1,281,829)	–	(1,281,829)
	(693,665)	1,023,619	329,954

Analysis of Group net assets by fund

	Unrestricted Funds Restated £	Restricted Funds £	Total 2022 Restated £
Intangible assets	34,471	–	34,471
Tangible fixed assets	505,925	–	505,925
Current assets	2,168,609	942,569	3,111,178
Current liabilities	(968,201)	–	(968,201)
	1,740,804	942,569	2,683,373

Analysis of Charity net assets by fund

	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Tangible fixed assets	232,661	–	232,661
Investments	6,173	–	6,173
Current assets	196,147	172,109	368,256
Current liabilities	(726,085)	–	(726,085)
	(291,104)	172,109	(118,995)

Analysis of Charity net assets by fund

	Unrestricted Funds £	Restricted Funds £	Total 2022 Restated £
Tangible fixed assets	190,049	–	190,049
Investments	6,173	–	6,173
Current assets	639,894	363,401	1,003,295
Current liabilities	(260,568)	–	(260,568)
	575,548	363,401	938,949

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For the year ended 31 March 2023

17 Analysis of Group Funds

	B/fwd 01/04/22 Restated	Received in year	Utilised in year	Transfer in funds	C/fwd 31/03/23
	£	£	£	£	£
Prevent	264,406	669,505	(810,608)	(11,617)	111,686
Rescue	638,181	1,191,270	(846,399)	(51,573)	931,479
Restore / Reform	39,982	959,470	(1,059,253)	40,255	(19,546)
Restricted Funds	942,569	2,820,245	(2,716,260)	(22,935)	1,023,619
General Fund	908,439	6,701,701	(9,159,105)	258,425	(1,290,540)
Designated Funds					
Fixed & Intangible assets	540,396			56,479	596,875
Building & equipment	91,969			(91,969)	-
Facilities	100,000			(100,000)	-
Strategic plan	-			-	-
Capital	100,000			(100,000)	-
	832,365			(235,490)	596,875
Total Funds	2,683,373	9,521,946	(11,875,365)	-	329,954

	B/fwd 01/04/21 Restated	Received in year	Utilised in year	Transfer in Funds	C/fwd 31/03/22 Restated
	£	£	£	£	£
Prevent	515,746	914,055	(1,152,465)	(12,931)	264,406
Rescue	700,900	926,207	(926,145)	(62,780)	638,181
Restore / Reform	181,075	1,082,132	(1,239,884)	16,659	39,982
Restricted Funds	1,397,721	2,922,394	(3,318,494)	(59,052)	942,569
General Fund	1,554,470	5,968,360	(6,327,320)	(287,071)	908,439
Designated Funds					
Fixed & Intangible assets	274,273		-	266,123	540,396
Building & equipment	91,969		-	-	91,969
Facilities	150,000		(100,000)	50,000	100,000
Strategic plan	628,000		(628,000)	-	-
Capital	170,000		(100,000)	30,000	100,000
	1,314,242		(828,000)	346,123	832,365
Total Funds	4,266,433	8,890,754	(10,473,814)	-	2,683,373

Purposes of restricted funds

The restricted funds are held to further the aims in UK and overseas, which are our four key programmatic areas: preventing exploitation, rescuing victims, restoring lives and reforming society. The work comprises activities including

Hope for Justice

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For the year ended 31 March 2023

advocacy services, outreach, shelter, medical services and education; preventative work in communities; healthy parenting with families; liaising with and training Government officials; preparing research documents. At 31 March 2023 there is a negative restricted fund of £19k and this is due to the timing of income, in that claims are made on a spent basis on a quarterly basis.

Designated Fixed & Intangible Assets Reserve

The Charity owns tangible and intangible fixed assets used to carry out the charity's activities, such as land and buildings and software. These functional fixed assets which are essential to the operations of the Charity are not, therefore, considered to be liquid assets that could be used to fund the potential contingencies. As such, they are treated as a Designated Reserve. The value of this reserve is equal to the net book value of fixed assets acquired from unrestricted funds.

Designated Emergency Buildings and Equipment Reserve

The Charity will normally maintain reserves to provide funds for emergency repairs or improvements to its buildings and equipment. The Charity has set a range of 20–40% of annual property, equipment & repair costs for this reserve to allow the reserve to flex with the size of the cost base. However due to the current position, the trustees have agreed that this reserve should currently be £nil until such time that adequate reserves allow a rebuild of this reserve.

Designated Facilities Reserve

The Board is committed to assuring the Charity's long-term physical health and so in addition to providing short-term emergency reserves for emergency repairs above, it has established a long-term Facilities Reserve to help provide funds for potential capital expenditure on expansion projects as the Charity grows. The Charity has set a range of 20–50% of annual property, equipment & repair costs for this reserve but should reflect the planned growth strategy of the Charity both in existing countries to accommodate increased staffing but also expansion into new areas or countries. However, there is no current plan to grow, as the charity seeks to improve its overall reserves position

Designated Strategic Plan Reserve

This reserve recognises that current operating income may not be available to explore new strategic opportunities involving new projects or programs in countries where the Charity already operates or in new parts of the world. This reserve may also be required to help fund the closure of existing projects or programs that no longer meet the goals of the Charity. The quantum of this reserve will be determined by specific items within the Charity's strategic plans for growth and expansion. The Charity expects that this items in this reserve to be utilised within 2–3 years of its creation. Due to the current drain on reserves, the Charity does not feel it is prudent to designate such a reserve at this time

Designated Capital Reserve

In addition to the Facilities Reserve, which provides funds for future facility developments, the Board is committed to ensuring that funds are available for anticipated long-term capital expenditures. The quantum of this reserve will be determined by specific items within the Charity's strategic plans Capital Projects to allow for new systems & infrastructure to support the growth of the Charity. This excludes new properties which is within the Facilities Reserve above

The transfer of £22,935 of restricted fund balances to the unrestricted category in the year represents the release of surpluses after ensuring closing balances accurately reflect all stipulated conditions for the funds

Hope for Justice

Notes to the financial statements

For the year ended 31 March 2023

18 Operating leases

As at 31 March 2023, the Charity had future commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Land and buildings				
Less than one year	207,738	273,433	96,563	96,563
Between two and five years	83,397	428,874	72,422	168,985
	291,136	702,307	168,985	265,548

19. Reconciliation of net debt

	At 1 April 2022	Cash flows	Other changes	At 31 March 2023
	£	£	£	£
Cash at bank and in hand	2,688,837	(2,396,786)	-	292,051
Total cash and cash equivalents	2,688,837	(2,396,786)	-	292,051

20. Prior Year Adjustment

Retrak

A rent prepayment should have been recognised in the 2021 accounts and the related expense. This has now been adjusted which has increased reserves brought forward as at 01/04/2021 by £42,304 and also increased expenditure in year-end 2022 by the same amount.

Since 2014 the charitable company has been recognising land held in its subsidiary Tiger Club Project Limited as investment property. It has been identified that this is the incorrect treatment and land is part of the building which is owned and used by Retrak. As a result a prior year adjustment has been made in the 2022 accounts to show this as a Tangible Fixed Asset.

Stocks of foodstuff, clothing, equipment and stationery which were held for future use in project activities had been recognised in the balance sheet. It has been identified that the stock's net realisable value is Nil. As a result a prior year adjustment has been made in the 2022 accounts to show this as expenditure in the year

Slave Free Alliance

Membership income was previously recognised with a proportion of income recognised upfront then the balance recognised over a four month period. The policy has been changed to spread the income over the life of the contract. The 2022 numbers in these accounts have been restated to reflect this error.

In addition there has been a prior year adjustment relating the recognition of time spent on a service contract due to hours actually spent in the prior year.

Hope for Justice

Notes to the financial statements

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Reconciliation of Reserves	At 1 April 2021	At 31 March 2022
	£	£
Reserves (as previously stated)	4,323,228	2,963,842
Rent prepaid at 31 March 2021	42,304	-
Investment Property moved to Tangible fixed assets	-	(32,930)
Move stock items to expenditure	-	(32,939)
Increase in Deferred Income	(99,099)	(214,600)
	<u>4,266,433</u>	<u>2,683,373</u>

Reconciliation of 2022	At 31 March 2022
	£
2022 loss (as previously stated)	(1,359,385)
Rent charge	(42,304)
Investment property charge	(32,930)
Move stock items to expenditure	(32,939)
Income Adjustment	(115,502)
	<u>(1,583,060)</u>

21 Contingent Liability

During the year, the Hope for Justice Inc changed payroll provider. During the transition, withholding payroll taxes were not remitted to the Internal Revenue Service (IRS) for two pay periods and IRS Form 941, Employer's Quarterly Federal Tax Return form was incorrectly files for the last quarter of 2022 and the first quarter of 2023. Subsequent to year -end, HFJ Inc submitted amended 941 forms remitted the payroll taxes. However, additional penalties and interest may be incurred which as not been recorded in the financial statements as the amount cannot reasonably be estimated.