

Company number: 6424507
Charity Number: 1122799

Retrak

Report and financial statements
For the year ended 31 March 2020

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For the year ended 31 March 2020

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Reference and administrative information

For the year ended 31 March 2020

Company number 6424507

Charity number 1122799

Registered office The Lexicon, 3rd Floor
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:

I Pettigrew

P Elson * (Chair)

A Gibson **

G Henderson Resigned 27th March 2020

W Taylor Resigned 25th October 2019

M Warner Resigned 25th October 2019

T Bentley Appointed 3rd May 2019

S Illingworth Appointed 9th August 2019

R Camp Appointed 25th October 2019 Resigned 30th October 2020

C Almond * Appointed 25th October 2019 Resigned 27th Mar 2020

* Member of the Finance Sub-Committee

** Member of the Risk and Compliance Sub-Committee

Retrak

Reference and administrative information

For the year ended 31 March 2020

Bankers	Royal Bank of Scotland	CAF Bank
	2 Station Road	25 Kings Hill Avenue
	CHEADLE HULME	WEST MALLING
	Cheshire	Kent
	SK8 5AE	ME19 4JQ
Auditors	Crowe U.K. LLP	
	Statutory Auditors	
	The Lexicon	
	Mount Street	
	Manchester	
	M2 5NT	

The trustees present their report and the audited financial statements for the year ended 31 March 2020.

Reference and administrative information set out on pages 1 and 2 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 review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

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

The principle activities are:

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

Through its activities, Retrak provides public benefit in the following areas:

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

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

- Prevention
- Rescue
- Restoration
- Reformation

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

Achievements and performance

The charity's main activities and who it tries to help are described below. All its charitable activities focus on 2020 and are undertaken to further Retrak's charitable purposes for the public benefit.

The charity is committed to helping street-connected children, who are incredibly vulnerable to trafficking, and who are often targeted by predatory gangs who force them into sexual exploitation, domestic servitude and forced labour.

Our work is centred around four core strands: preventing exploitation, rescuing victims, restoring lives and reforming society.

- A key success in the year to 31 March 2020 resulted in 102,712 children being reached through our projects and programmes in Uganda, Ethiopia and Zimbabwe – by far the most beneficiaries we have ever served

PREVENT:

We have continued to work closely with families and communities to prevent highly vulnerable children separating from their families through migration or trafficking.

- 4,427 Women were empowered by participating in our Self-Help Groups in Uganda and Ethiopia
- 23,089 Adults received child protection messages through community education workshops, up from 16,298 in 2018–19
- 83,665 Children were educated on abuse, trafficking and safety in child welfare clubs and peer education – more than double the number educated through these initiatives last year

RESCUE:

We continued to work alongside police, governments and community partners to ensure that children were removed from unsafe situations.

- 1,678 Children served in one of our Lighthouses – safe havens, where they received shelter, food, access to medical care, education, trauma-informed aftercare and more
- 366,095 Meals provided in Uganda, Ethiopia and Zimbabwe
- 1,208 Children from the streets reintegrated back into family-based care

Trustees' annual report

For the year ended 31 March 2020

We have built an international reputation through the work we are doing on family reintegration of street children, developing Standard Operating Procedures (SOPs), a training curriculum and toolkit.

We are also a core member of a group formulating global guidelines on reintegration of children. We also worked alongside governments to secure the best outcomes for street-connected children, supporting a number of emergency shelters set up to protect children during the global pandemic.

RESTORE/REFORM:

We have influenced legislation, policy and national guidelines through our work.

A major piece of research on the experiences of children living and working on the streets of Uganda has been endorsed by the country's government. The findings were published in a report, entitled 'Enumeration of Children on the Streets in Uganda across Four Locations: Iganga, Jinja, Mbale and Kampala'.

We have continued to deliver training, ensuring that all sectors are equipped to respond to trafficking.

- 3,992 People trained to respond effectively to modern slavery in Uganda and Ethiopia

Fundraising

The issue of ethical fundraising remains a hot topic in the public domain. Retrak 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.

Retrak is registered with the Fundraising Regulator, whose standards we applaud and work hard to uphold, and 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.

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

As above Retrak 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.

Financial review

During 2019/20 Retrak continues to expand its operations in Africa by increasing the number of frontline staff delivering services and bolstering the management team within the group to improve governance and oversight.

Income

Income for the year ended 31st March 2020 was £2.22m (15 month period ended 31 March 2019 £3.12m, equivalent to £2.50m on an annualised basis) being an 11.2% reduction comparative to the previous period on an annualised basis.

An annualised basis has been calculated by reducing prior period figures (15 months to 31 March 2019) by 12/15ths and comparing this annualised figure to the current year income.

- Restricted income increased by 4.5% with income of £2.07m (15 months to 31st March 2019 £2.48m which equates to an annualised figure of £1.98m) – the improvement in restricted income being a result of attracting significant new funding and maintaining relationships with existing funders.
- Unrestricted income meanwhile decreased by 71.7% with income at £0.15m (15 months to 31st March 2019 £0.64m, which equates to an annualised figure of £0.52m) – the reduction in unrestricted income was a result of the impending merger, with restructuring of fundraising activities such that both unrestricted income, and unrestricted expenditure, are primarily recorded in the accounts of Hope For Justice.

Expenditure

Expenditure increased by 10.1% with the figure at £2.24m (15 months to 31st March 2019 £2.55m, which equates to an annualised figure of £2.04m). This is due to increased restricted funding and front line activities during the year.

Restricted spending increased by 14.9% with the figure at £2.18m (15 months to 31st March 2019 £2.37m, which equates to an annualised figure of £1.90m). This was a result of a significant uplift in spending in Uganda with the opening of a new centre (Mary Lighthouse) and increased spending in Ethiopia because additional funding was secured.

Unrestricted spending reduced by 54.2% with the figure at £64k (15 months to 31st March 2019 £175k, which equates to an annualised figure of £140k). This significant reduction is in line with the plan to reduce costs whilst also maximising resources which are attributable to restricted grants.

Net Result for the year

The net result for the year was a small deficit of £25k (15 months to 31st March 2019 surplus £576k) which was primarily due to expenditure of grant funding held in reserves brought forward from the previous year.

The Trustees confirm that the performance during the year was in line with expectation, and that retained reserves continue to remain strong with a healthy balance sheet position at year end.

For the year to 31 March 2020, Retrak is now consolidated within the Group accounts of Hope for Justice (a company incorporated in England and Wales, company number 6563365). Whilst

ownership did not move to Hope for Justice until 1 April 2020, the company has been consolidated on the basis that both companies share Unified Management control.

Reserves policy and going concern

Retrak has a policy for holding unrestricted reserves, for two primary reasons:

- 1 To enable the charity to fund unexpected expenditure, for example when projects overrun or unplanned events occur, and
- 2 To fund shortfalls in income, when income does not reach expected levels.

As at March 2020 the reserves policy was that unrestricted reserves should be the equivalent one month's operating expenditure.

Using the total expenditure as a basis the trustees have calculated that one-months operating expenditure is £169,374. The unrestricted reserves figure as at 31 March 2020 was £377,797 (2019 £209,643) representing 2.2 months of expenditure and therefore the reserves held at 31 March 2020 are in line with our reserves policy

COVID-19

The impact of the global pandemic has not impacted the financial statements for the year ended 31 March 2020 and no revision of any estimates or valuations has been required. However, it has affected our activities for the subsequent year ended 31 March 2021.

Staff & client safety is the primary concern of Retrak. 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.

The organisation was quick to act and planned in advance of lockdown, to enable staff to work remotely and there has been no downtime in general office administration, partnership fundraising and reporting, both internal & external. A number of activities, though, have been adversely affected:

- Physical fundraising events
- Fundraising trips to visit programme activities
- Training

The management have been able to pivot its approach to these areas to address the cost base and alternative income streams, to include:

- Specific campaigns such as #Keephopealive – raised in excess of £400,000
- Move to online & virtual events
- Increased use in virtual meetings in lieu of travel and physical meetings
- Increase use of social media to reach new audiences and promote our message

Another area where COVID-19 has had a positive impact is the approach from Trust & Foundation donors who gave Restricted Donations. In some circumstances, these donors have allowed the

restrictions on the donation to be lifted partially or even completely. There have also been new funds made available in light of COVID-19 and Retrak has been successful in a number of these applications.

Lastly, Retrak has seen a significant increase in its volunteer base. This has arisen as people who have been furloughed look to make use of their spare time. The volunteers have been able to work in a number of roles depending upon their skill base and this has allowed us to spend much more resource targeting applications for Trusts & Grants as well as using back office and administration roles.

The culmination of all of the above response to the pandemic has meant that the trustees have full confidence in the management team and their response and that Retrak is well placed to continue to deliver its activities for the foreseeable future.

Plans for the future

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

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

The legal merger Retrak into Hope for Justice will add to the efficiencies already delivered in our charity work by reducing or removing duplicated governance costs and overheads demanded of two (currently) independent charities. The formal move to a subsidiary was approved by the boards on 1 April 2020 and the amended articles of association were accepted by The Charities Commission on 2 June 2020. Retrak is already consolidated in the Group account of Hope for Justice on the basis that both companies shared unified management control.

Structure, governance and management

Constitution

Retrak is a company limited by guarantee (company number 6424507), governed by its Memorandum and Articles of Association which were adopted on its incorporation on 12 November 2007. It is registered as a charity with the Charity Commission (charity number 1122799).

Trustees' annual report

For the year ended 31 March 2020

Membership is open to all individuals and organisations who apply to the charity in the form required by the trustees and are approved by the trustees. There are currently 6 members each of whom has agreed to contribute £10 in the event of the charity winding up.

Retrak became a wholly owned subsidiary of Hope For Justice on 1st April 2020.

Method of appointment or election of trustees

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

Organisational structure and decision making

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

Risk management

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

The day to day running of the organisation, and therefore the identification, reporting and mitigation of risk is tasked to the CEO and the Executive Team. The Executive execute their responsibilities through a robust risk identification procedure which has been refined over a number of years. In turn, the Executive Team recognises that risk identification is only as good as the embedding of risk recognition and reporting of our staff, so regular training is provided to reinforce the process. The ultimate outputs from incident reporting are a number of focused risk registers which are maintained and reviewed on a regular basis. The topic of risk is a standing item on Executive Team meeting agendas.

The most significant risks last year were:

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

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

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

The main risks to be managed in the year ahead:

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

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

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

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

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

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

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

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

Statement of responsibilities of the trustees

The trustees (who are also directors of Retrak for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial period 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 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

Trustees' annual report

For the year ended 31 March 2020

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far 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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Crowe U.K. LLP were appointed as the charitable company's auditors during the Year and have expressed their willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 26 February 2021 and signed on their behalf by



P. Elson
Chair

Opinion

We have audited the financial statements of Retrak for the year ended 31 March 2020 which comprise the consolidated statement of financial activities, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of 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

In light of the knowledge and understanding of the group and the 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.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees Annual Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, 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 group's or 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

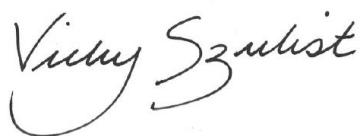
We have been appointed as auditor under section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

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.

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 Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Vicky Szulist (Senior Statutory Auditor)
For and on behalf of Crowe U.K. LLP, Statutory Auditor

The Lexicon
Mount Street
Manchester
M2 5NT

Date:.....28th May 2021

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

For the year ended 31 March 2020

				Year Ended 31 March 2020 Total £			15 month Period to 31 March 2019 Total £
	Note	Unrestricted £	Restricted £		Unrestricted £	Restricted £	
Income from:							
Donations and legacies	2	145,608	2,072,053	2,217,661	643,065	2,478,311	3,121,376
Other trading activities	3	–	–	–	677	–	677
Income from investments		86	–	86	117	–	117
Total income		145,694	2,072,053	2,217,747	643,859	2,478,311	3,122,170
Expenditure on:							
Raising funds		45,093	–	45,093	104,833	–	104,833
Charitable activities	4	19,176	2,178,730	2,197,906	70,469	2,370,714	2,441,183
Total expenditure		64,269	2,178,730	2,242,999	175,302	2,370,714	2,546,016
Net income / (expenditure) for the year / period	5	81,425	(106,677)	(25,252)	468,557	107,597	576,154
Transfers between funds		86,729	(86,729)	–	–	–	–
Net movement in funds for the year/period		168,154	(193,406)	(25,252)	468,557	107,597	576,154
Reconciliation of funds:							
Total funds brought forward		209,643	497,788	707,431	(258,914)	390,191	131,277
Total funds carried forward		377,797	304,382	682,179	209,643	497,788	707,431

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the financial statements.

The notes on pages 19 to 31 form part of these financial statements

Balance Sheets

Company Number: 6424507

As at 31 March 2020

		The group		The charity	
		2020	2019	2020	2019
	Note	£	£	£	£
Fixed assets:					
Tangible assets	10	95,323	40,645	95,323	40,645
Investments	11	102,543	102,543	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
		197,866	143,188	95,323	40,645
Current assets:					
Stock	13	6,728	154	6,728	154
Debtors	14	39,863	58,024	39,863	58,024
Cash at bank and in hand		487,976	565,797	487,976	565,797
		<hr/>	<hr/>	<hr/>	<hr/>
		534,567	623,975	534,567	623,975
Liabilities:					
Creditors: amounts falling due within one year	15	50,254	59,732	50,254	59,732
		<hr/>	<hr/>	<hr/>	<hr/>
Net current assets		484,313	564,243	484,313	564,243
		<hr/>	<hr/>	<hr/>	<hr/>
Total assets less current liabilities		682,179	707,431	579,636	604,888
		<hr/>	<hr/>	<hr/>	<hr/>
Total net assets		682,179	707,431	579,636	604,888
		<hr/>	<hr/>	<hr/>	<hr/>
Funds:	17				
Restricted income funds		304,382	497,788	304,382	497,788
Unrestricted income funds:					
General funds		377,797	209,643	275,254	107,100
		<hr/>	<hr/>	<hr/>	<hr/>
Total funds		682,179	707,431	579,636	604,888
		<hr/>	<hr/>	<hr/>	<hr/>

Approved by the trustees on 26 February 2021 and signed on their behalf by

P. Elson
Chair

The notes on pages 19 to 31 form part of these financial statements

Consolidated statement of cash flows

For the year ended 31 March 2020

	Note	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash provided by operating activities	18		9,762		333,488
Cash flows from investing activities:					
Dividends, interest and rents from investments		86		117	
Purchase of fixed assets		(86,729)		–	
Net cash (used in)/provided by investing activities			(86,643)		117
Change in cash and cash equivalents in the year			(76,881)		333,605
Cash and cash equivalents at the beginning of the year			565,798		230,120
Change in cash and cash equivalents due to exchange rate movements			(942)		2,073
Cash and cash equivalents at the end of the year	19		487,975		565,798

The notes on pages 19 to 31 form part of these financial statements

Notes to the financial statements

For the year ended 31 March 2020

1 Accounting policies

1.1 Statutory information

Retrak is a charitable company limited by guarantee and is incorporated in England & Wales. The registered office address is The Lexicon 3rd Floor, Mount Street, Manchester M2 5NT

1.2 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned Ugandan subsidiary the Tigers Club Project Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

1.3 Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

1.4 Going concern

At 31 March 2020, the group had net assets of £0.68m, which is sufficient for six months of activity at historic levels. The directors have prepared detailed trading and cash flow forecasts which show the group being able to operate for the foreseeable future without seeking borrowings or overdrafts. This included the effects of COVID-19 and assumptions that historic funding levels would be reduced as individual donations reduced (as individuals are impacted by any recession) and events are cancelled (due to social distancing requirements). The use of the Coronavirus Job Retention Scheme and the significant reduction in operating costs in the first quarter of the year to 31 March 2021, have mitigated some of the potential income reduction.

The directors are satisfied that the group can continue to operate and pay its debts as they fall due, and have prepared the accounts on the going concern basis accordingly.

Merger

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

Notes to the financial statements

For the year ended 31 March 2020

systems to identify duplications and where possible and practicable, reduce unnecessary expenditure by sharing resources.

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

The legal merger of Retrak into Hope for Justice will add to the efficiencies already delivered in our charity work by reducing or removing duplicated governance costs and overheads demanded of two (currently) independent charities. The formal move to a subsidiary was approved by the boards on 1 April 2020 and the amended articles of association were accepted by The Charities Commission on 2 June 2020.

It is expected that the activities of Retrak will be moved into Hope For Justice during the course of the next 12 months. Once all activities are migrated into Hope For Justice the intention is to wind down Retrak as a legal entity. Whilst Retrak is expected to close within 12 months, the accounts are prepared on a Going Concern basis as all activities will continue for the foreseeable future.

1.5 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.

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.

1.6 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount

Notes to the financial statements

For the year ended 31 March 2020

can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1.8 Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

1.9 Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose

Expenditure on charitable activities includes the direct costs of delivering projects undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.10 Allocation of support costs

Resources expended 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.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity:

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Notes to the financial statements**For the year ended 31 March 2020**

1.11 Operating leases

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

1.12 Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet

Freehold property	25% straight line
Motor vehicles	25% straight line
Fixtures and fittings	33% straight line
Computer equipment	33% straight line

The value of land is not depreciated.

1.13 Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. The valuation method used to determine fair value will be stated in the notes to the accounts.

Investments in subsidiaries

Investments in subsidiaries are at cost.

1.14 Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

1.15 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.

1.16 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. Cash balances exclude any funds held on behalf of service users.

Notes to the financial statements

For the year ended 31 March 2020

1.17 Creditors and provisions

Creditors and provisions are recognised where the charity 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 charity 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2 Income from donations and legacies

	Unrestricted	Restricted	2020	Unrestricted	Restricted	2019
	£	£	£	£	£	£
Donations and legacies	145,609	2,072,052	2,217,661	643,065	2,478,311	3,121,376
	<u>145,609</u>	<u>2,072,052</u>	<u>2,217,661</u>	<u>643,065</u>	<u>2,478,311</u>	<u>3,121,376</u>

3 Other trading activities

	Unrestricted	Restricted	2020	Unrestricted	Restricted	2019
	£	£	£	£	£	£
Other trading activities	-	-	-	677	-	677
	<u>-</u>	<u>-</u>	<u>-</u>	<u>677</u>	<u>-</u>	<u>677</u>

4 Analysis of expenditure on charitable activities

	Activities undertaken directly	Support costs	2020	Activities undertaken directly	Support costs	2019
	£	£	£	£	£	£
Prevention	521,307	4,588	525,895	646,508	19,217	665,725
Rescue	768,403	6,763	775,165	833,209	24,767	857,976
Restore/Reform	889,020	7,824	896,845	890,997	26,485	917,482
	<u>2,178,730</u>	<u>19,175</u>	<u>2,197,905</u>	<u>2,370,714</u>	<u>70,469</u>	<u>2,441,183</u>

Notes to the financial statements

For the year ended 31 March 2020

5 Net (resources expended)/incoming resources for the year

This is stated after charging / crediting:

	2020	2019
	£	£
Depreciation	32,049	36,876
Operating lease rentals:		
Property	172,940	162,240
Auditors' remuneration (excluding VAT):		
Audit	6,500	3,300
Foreign exchange gains or losses	942	2,073
	<u> </u>	<u> </u>

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

Staff costs were as follows:

	2020	2019
	£	£
Salaries and wages	771,833	807,742
Pension contributions	9,806	15,610
Social security costs	76,809	79,605
	<u> </u>	<u> </u>
	858,448	902,957
	<u> </u>	<u> </u>

No employees earned over £60,000 during the year (2019: 0).

The total employee benefits including pension contributions of the key management personnel were £0 (2019: £88,754). Salaries of key management personnel are included in the accounts of Hope For Justice (Company Number 6563365). Retrak's other UK based staff were transferred onto the Hope For Justice payroll with effect from 1st April 2020.

The charity trustees were not paid or received any other benefits from employment with the charity in the period (2019: £0). No charity trustee received payment for professional or other services supplied to the charity, or reimbursement of travel and subsistence costs (2019: £0).

Notes to the financial statements**For the year ended 31 March 2020**

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2020	2019
	No.	No.
Raising funds	1.0	1.3
Charitable activities	212.3	180.5
Support	1.0	1.0
Governance	0.2	0.2
	<hr/>	<hr/>
	214.5	183.0
	<hr/> <hr/>	<hr/> <hr/>

8 Related party transactions

There are no related party transactions to disclose for 2020 (2019: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

9 Taxation

The group is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Notes to the financial statements

For the year ended 31 March 2020

10 Tangible fixed assets
The charity and group

	Freehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At the start of the year	49,503	99,163	48,990	197,656
Additions in year	–	15,772	70,957	86,729
At the end of the year	49,503	114,935	119,497	284,385
Depreciation				
At the start of the year	21,720	92,209	43,084	157,012
Charge for the year	3,309	8,918	19,822	32,049
At the end of the year	25,029	101,127	62,906	189,061
Net book value				
At the end of the year	24,474	13,809	57,041	95,323
At the start of the year	27,783	6,954	5,906	40,644

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31 March 2020

11 Subsidiary undertaking

The Tiger Club Project Limited is a subsidiary charity of Retrak. The company is registered in Uganda as a company limited by guarantee. It is considered a subsidiary for financial reporting purposes as 75% of the Board are Retrak representatives.

The purpose for the company has been to hold title to land in Uganda that is used within the charitable operations of Retrak's branch in Uganda. The land is the only asset on the company's balance sheet and the company was not otherwise trading and so has no turnover or profit to report.

There are no other transactions to disclose with the subsidiary. The fair value of the asset is £102,543 (2019 £102,543)

12 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2020 £	2019 £
Gross income	2,217,747	3,122,170
Result for the year	579,154	590,303

13 Stock

	The group		The charity	
	2020 £	2019 £	2020 £	2019 £
Foodstuffs and merchandise	6,728	154	6,728	154
	6,728	154	6,728	154

14 Debtors

	The group		The charity	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	30,094	30,115	30,094	30,115
Other debtors	7,051	24,050	7,051	24,050
Prepayments	2,718	3,859	2,718	3,859
	39,863	58,024	39,863	58,024

Notes to the financial statements

For the year ended 31 March 2020

15 Creditors: amounts falling due within one year

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	12,402	26,708	12,402	26,708
Taxation and social security	16,914	19,853	16,914	19,853
Other creditors	14,672	7,968	14,672	7,968
Accruals	6,266	5,202	6,226	5,202
	<u>50,254</u>	<u>59,732</u>	<u>50,254</u>	<u>59,732</u>

16a Current year analysis of group net assets between funds

	General unrestricted	Restricted funds	Total funds
	£	£	£
Tangible fixed assets	95,323	–	95,233
Investments	102,543	–	102,543
Net current assets	179,934	304,379	484,313
	<u>377,800</u>	<u>304,379</u>	<u>682,179</u>
Net assets at the end of the year	377,800	304,379	682,179

16b Prior year analysis of group net assets between funds

	General unrestricted	Restricted funds	Total funds
	£	£	£
Tangible fixed assets	40,645	–	40,645
Investments	102,543	–	102,543
Net current assets	66,457	497,786	564,243
	<u>209,645</u>	<u>497,786</u>	<u>707,431</u>
Net assets at the end of the year	209,645	497,786	707,431

Notes to the financial statements

For the year ended 31 March 2020

17 Movement in funds

Year ended 31/03/20

	01/04/19 £	Received in year £	Utilised in year £	Transfer between funds £	31/03/20 £
Prevention	94,460	583,390	521,307	15,638	140,905
Rescue	172,436	725,720	768,403	34,168	95,585
Restore/Reform	230,890	762,942	889,020	36,923	67,889
Total restricted funds	497,786	2,072,052	2,178,730	86,729	304,379
Total unrestricted funds	209,645	145,695	64,269	(86,729)	377,800
Total funds	<u>707,431</u>	<u>2,217,747</u>	<u>2,242,999</u>	<u>-</u>	<u>682,179</u>

15 months ended 31/03/19

	01/01/18 £	Received in period £	Utilised in period £	Transfer between funds £	31/03/19 £
Prevention	59,662	681,306	646,508	-	94,460
Rescue	172,520	833,125	833,209	-	172,436
Restore/Reform	158,007	963,880	890,997	-	230,890
Total restricted funds	390,189	2,478,311	2,370,714	-	497,786
Total unrestricted funds	(258,912)	643,859	175,302	-	209,645
Total funds	<u>131,277</u>	<u>3,122,170</u>	<u>2,546,016</u>	<u>-</u>	<u>707,431</u>

Purposes of restricted funds

The restricted funds are held to further the aim of bringing an end to modern slavery by preventing exploitation, rescuing victims, restoring lives, and reforming society. The work comprises activities including outreach, shelter, medical services and education; preventative work in communities; healthy parenting with families; liaising with and training Government officials; preparing research documents

Notes to the financial statements

For the year ended 31 March 2020

18 Reconciliation of net (expenditure)/ income to net cash flow from operating activities

	2020	2019
	£	£
Net (expenditure) / income for the reporting period (as per the statement of financial activities)	(25,252)	576,154
Depreciation charges	32,049	36,913
Gains on investments	–	(27,872)
Dividends, interest and rent from investments	(86)	(117)
(Loss)/profit on the sale of fixed assets	–	–
(Increase)/decrease in stocks	(6,574)	1,546
Decrease in debtors	18,161	45,581
Decrease in creditors	(9,478)	(296,645)
Exchange rate losses / (gains)	942	(2,073)
Net cash provided by operating activities	9,762	333,488

19 Reconciliation of net debt

	At 1 April 2019 £	Cash flows £	Other changes £	At 31 March 2020 £
Cash at bank and in hand	565,798	(76,881)	(942)	487,975
Total cash and cash equivalents	565,798	(76,881)	(942)	487,975

20 Operating lease commitments

The charity and group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property 2020 £	2019 £
Less than one year	117,442	111,230
Two to five years	88,426	62,535
	205,868	173,765

Notes to the financial statements

For the year ended 31 March 2020

21 Post Balance Sheet Events

Merger

Following the addition of Retrak to the Hope for Justice family in January 2018, on 1 April 2020, Hope for Justice (a company limited by guarantee (company number 6563365)) became the sole member of Retrak as approved by both boards and Retrak is now a 100% subsidiary. The Articles of Associations of both companies have been amended to reflect the joint aims so that there is no conflict of interests. The Charities Commission accepted these changes on 2 June 2020.

22 Parent and Ultimate Parent Undertaking

The ultimate parent undertaking and controlling party is Hope for Justice, which is a registered charity and company limited by guarantee in England and Wales (Company number 6563365, charity number 1126097).

The principle activities of Hope for Justice are:

- e) to identify, aid, educate, and where possible re-integrate with their families, children and adults, who by force of their circumstances are vulnerable to traffickers;
- f) to identify victims of human trafficking, build bridges of trust with them and safely remove them from situations of exploitation;
- g) 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
- h) 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
- i) to train frontline professionals such as the police, social services, housing providers and outreach programmes to identify victims and/or work appropriately with them

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

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

Hope for justice exercises control over Retrak via the executive and management teams of Hope for Justice, exciding control over all decisions on fundraising and delivery of the aims and activities of Retrak. Consolidated financial statements are available from PO Box 5527, Manchester, M61 0QU.

22 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. In the event of a winding up the contribution would not exceed £10 from each member.