

THE LABOUR BEHIND THE LABEL TRUST

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2021**

Registered charity number: 1159356

THE LABOUR BEHIND THE LABEL TRUST

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021**

CONTENTS	Page
Trustees' report	2 – 7
Independent Examiner's report	8
Statement of Financial Activities	9
Balance Sheet	10
Notes to the Accounts	11 - 12

THE LABOUR BEHIND THE LABEL TRUST

Trustees Annual Report for the year ended 31 March 2021

The trustees are pleased to present their annual report together with the accounts of the charity for the year ended 31 March 2021.

The accounts have been prepared in accordance with the accounting policies set out on page 9 and comply with the Charity's governing instrument, The Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS102) applicable in the UK and Republic of Ireland.

Our Purposes and Activities

The Charity's objects are:

- To advance for the public benefit, and with particular regard to garment workers and their dependents throughout the world;
- The relief of poverty;
- The promotion of human rights (as set out in the universal declaration of human rights);
- Compliance with the law and ethical standards of conduct.

Achievements and Performance

The Trust's grant making policy provides the basis for its operations in support of the promotion of human rights and ethical and legal work practices for garment workers and their dependents.

In March 2020 the Trust agreed a work programme for 2020/21 building on the achievements of the 2019/20 year, and adding a strong internal focus to **1)** enhance outreach and fundraising, including **2)** extending the existing regular giving programme. This work programme included an extension and intensification of previous work **3)** on public procurement in relation to garments and footwear in the UK, **4)** deepening work to ensure that previous commitments to pay a living wage were followed through and intensification of work to support transparency around living wage commitments, and **5)** extending existing work focusing on the UK garment industry. In line with the network building and fundraising strand, we also undertook to **6)** extend the UK activist base. Although these were, to a large degree, met, the pandemic meant that in some areas where work proved to be especially challenging, such as in regard to public procurement where goals were not met. In part this was because the pandemic changed the circumstances especially in regard to the UK garment sector, which became a major focus of work and goals exceeded.

Grants to Labour Behind the Label focused on these six areas. The work on the living wage campaign, as with many other things in 2020/21, ran slower than intended although toward the end of 2020 the international Clean Clothes Campaign launched the Fashion Checker website including wages, production and related data for over 100 brands. LBL provided a large part of the research base for this project, which has been a project running over several years. The Fashion Checker was supplemented by an LBL authored report, Out of the Shadows: A spotlight on exploitation in the fashion industry. The profile of this information and advocacy tool has been enhanced by the wider, international, #PayUp campaign focused on outstanding and unpaid wages across the sector.

The work on the UK garment industry was an area where there has been significant growth in work and success. This work included high profile research into working conditions in the UK industry, linked but not limited to issues to do with pandemic-related health and safety. This research generated extensive media coverage, involvement of regulatory and inspectorate

THE LABOUR BEHIND THE LABEL TRUST

Trustees Annual Report for the year ended 31 March 2021 cont.

Achievements and Performance (continued)

services and resulted in considerable movement around and commitments to improved conditions focused on pricing, auditing, procurement, monitoring and transparency. A crucial part of the successes in this area, that significantly exceeded goals and expectations, was built on links previously developed with community groups, trades unions and NGOs engaged in the area.

This success in the UK industry work has, to an extent, been at the cost of work on public procurement. This work has been made more complex by the very rapidly shifting demands around PPE as the dominant issue in public procurement and the extreme difficulties in developing a secure information base. However, within this strand we continued to deepen links with relevant trades unions, including advising on sourcing for their work. It is possible that this area of work may further overlap with the growing network emerging from the UK industry work, laying the basis for later more widely focused public education.

In terms of capacity development, regular donor numbers and income continued to grow and here has been some success at converting donors to special funding calls to regular donors; this will remain an area of emphasis, including through improved database and records management. A campaign to increase the number of regular individual donors exceeded its targets, and refinement of the communications strategy enhanced information flows to regular donors.

Plans to further enhance this capacity building through an extension of an activist network had to be adapted to remote work in the absence of any face-to-face network building. However, the profile and success of other work, especially in relation to the UK industry and more so the #PayUp campaign, along with associated work related to human rights, including anti-slavery, in textile producing countries, saw a rise in local activist networks. LBL's links to and engagements with those networks drew on an existing strong profile for public education work as well as campaigns in support for human rights and worker well-being.

Achievements are monitored by Trustees at quarterly Trust meetings as well as through reports presented by the Labour Behind the Label throughout the year.

Public Benefit

Trustees review public benefit annually (in March) when assessing the proposed activities for the forthcoming year. The trustees have had due regard to the Charity Commission guidance on public benefit in deciding what activities the charity should undertake and confirm that all the charity's activities are undertaken to further our charitable purposes for the public benefit.

Financial Review

At 31 March 2021 the Charity had funds carried forward of £50,224 (2020 - £1,685), all of which are held as unrestricted funds.

The Charity's main sources of funding in the year were:

- donations from members of the public of £59,212;
- grants.

The trustees are confident that the Charity is financially secure to deliver its programme of activities for 2021/22.

THE LABOUR BEHIND THE LABEL TRUST

Trustees Annual Report for the year ended 31 March 2021 cont.

Investment policy

As reserves are currently at a relatively low level, the majority of funds are currently held in a bank current account.

Going Concern

The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Plans for Future Periods

The successes of 2020/21 provided a base for ongoing work as well as an enhanced focus on legal and ethical requirements, even as the uncertainty associated with the global pandemic enhanced the need to be agile in engaging with the issues emerging across the textiles, fashion and footwear sectors.

The focus on meeting minimum wages payments in the context of the wider living wage campaign is continuing, including supporting work towards a legally binding agreement to ensure improved pay and safety conditions for garment workers.

Building on the development of new areas of work, 2021/22 includes a continuing focus on conditions of work the UK garment industries including enhanced networking with other sector groups and efforts to build a greater awareness of and engagement with workers in the UK industries.

The successful work on capacity building and fundraising will be extended through an enhanced focus on developing digital fundraising and extending the regular giver network, as well as educational and organisational resources to support action by supporter networks.

In all cases, these activities are regularly monitored against SMART objectives determined as part of the grant-making agreement.

THE LABOUR BEHIND THE LABEL TRUST

Trustees Annual Report for the year ended 31 March 2021 cont.

Reference and Administrative Information

Name & Charity Number:

Labour Behind The Label Trust: Registered Charity No 1159356

Registered Office

The Old Co-Op
38-42 Chelsea Road
Easton
Bristol
BS5 6AF

Trustees:

Malcolm MacLean
Joanna Ewart-James
Thrisa Haldar
Rebecca Cork (resigned 09/09/2020)
Lowri Pritchard (resigned 04/06/2020)
Sarah Daly
Rebecca Collins
Sharon Mitcheson (appointed 12/03/2021)

Bankers:

The Co-operative Bank Plc
P.O. Box 101
1 Balloon Street
Manchester
M60 4EP

Independent Examiner:

Burnside
Chartered Accountants
61 Queen Square
Bristol
BS1 4JZ

Structure, Governance and Management

Labour Behind the Label Trust operates in England, Wales and Northern Ireland working closely with Labour Behind the Label Limited. Each organisation is separate and governed as an autonomous entity. They share some resources and a brand, in order to achieve their separate but similar objects as cost-effectively as possible.

Governing Document

The charity was established under a Trust Deed dated 29/08/12 (as amended by a deed dated 13/09/14) which established the objects and powers of the charity.

Recruitment and Appointment of the Trustees

The trustees regularly review their skills and experience base to reflect the needs of the organisation.

THE LABOUR BEHIND THE LABEL TRUST

Trustees Annual Report for the year ended 31 March 2021 cont.

Trustee Induction and Training

New trustees are given clear advice and support in relation to their obligations by incumbent trustees. All relevant documentation is made available including details of its resourcing, the current financial position as set out in the latest set of accounts and information about future plans and the strategic development of the charity.

Day to day management

The Trustees have delegated the day to day management of the charity to Caroline Lewis, Director of Fundraising at Labour Behind the Label, who reports formally to the Trustees at meetings.

Key Personnel

Caroline Lewis

Risk Management

The Trustees have assessed the major financial and reputations risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks. Trustees review risk at each quarterly meeting, examining cash flow and any reputational risks due to high profile campaigns or events that Labour Behind the Label is leading on.

THE LABOUR BEHIND THE LABEL TRUST

Trustees Annual Report for the year ended 31 March 2021 cont.

Trustees' responsibilities in relation to the financial statements

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable laws and regulations.

The laws applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable regulations). Under that law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that year.

In preparing these financial statements, the Trustees are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) observe the methods and principles in the Charities SORP;
- c) make judgements and estimates that are reasonable and prudent;
- d) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operational existence.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Trustees:



Malcolm MacLean (Chair)
Trustee

Date: 13 January 2022

THE LABOUR BEHIND THE LABEL TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE LABOUR BEHIND THE LABEL TRUST

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended 31 March 2021.

Responsibilities and basis of report

As the trustees of the Trust, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

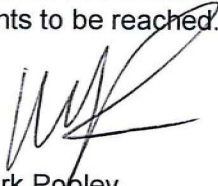
I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

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

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



Name: Mark Pooley

Relevant professional qualification or body: ICAEW

Address: Burnside Chartered Accountants, 61 Queen Square, Bristol, BS1 4JZ.

Date: 18/01/2022

THE LABOUR BEHIND THE LABEL TRUST

STATEMENT OF FINANCIAL ACTIVITIES **FOR THE YEAR ENDED 31 MARCH 2021**

	Year ended 2021 £	Year ended 2020 £
INCOME FROM:		
Donations and legacies	59,212	34,459
Income from charitable activities: Grants	48,500	25,681
TOTAL INCOME	107,712	60,140
EXPENDITURE		
Fundraising costs	7,258	7,790
Charitable activities – promoting human rights and <u>ethical and legal work practices for garment workers</u>		
Grants payable	51,900	50,500
Finance and book-keeping	1,148	1,148
Independent examination	1,008	997
Bank charges	4	7
Donations	-	50
Sundry expenses	39	-
TOTAL PAYMENTS	61,357	60,492
Net income/(expenditure) and net movement in funds for the year	46,355	(352)
Reconciliation of funds		
Total funds brought forward	1,685	2,037
Total funds carried forward	48,040	1,685

All income and expenditure in the current and previous period was unrestricted.

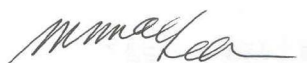
The notes on pages 11 to 12 form part of these accounts

THE LABOUR BEHIND THE LABEL TRUST

BALANCE SHEET AS AT 31 MARCH 2021

	Note	2021 £	2020 £
CURRENT ASSETS			
Cash at bank and in hand		68,414	3,425
		68,414	3,425
LIABILITIES			
Creditors: amounts falling due within one year	3	(20,374)	(1,740)
NET CURRENT ASSETS/(LIABILITIES)		48,040	1,685
NET ASSETS		48,040	1,685
THE FUNDS OF THE CHARITY			
Unrestricted funds		48,040	1,685

These financial statements were approved by the trustees and authorised for issue on 13 December 2021 and are signed on their behalf by:



.....
Malcolm Maclean
TRUSTEE

13 January 2022

Date

Charity No 1159356

THE LABOUR BEHIND THE LABEL TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies

a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

b) Income recognition

Donations and grants

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

- when donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- when donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Interest receivable

Interest is included when receivable by the charity.

c) Expenditure and irrecoverable VAT

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

d) Fund accounting

Funds held by the charity are:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

THE LABOUR BEHIND THE LABEL TRUST

NOTES TO THE ACCOUNTS **FOR THE YEAR ENDED 31 MARCH 2021 (cont).**

2. Net income/(expenditure) for the year

This is stated after charging:	2021 £	2020 £
Independent examiner's fees	1,008	997

3. Creditors

	2021 £	2020 £
Creditors and accruals	971	1,740
Deferred income	19,403	-
	20,374	1,740

4. Unrestricted funds

	Balance 1 April 2020	Movement in resources		Transfers between funds	Balance 31 March 2021
	£	Incoming £	Outgoing £	£	£
General Funds	1,685	107,712	61,357	-	48,040

5. Related party transactions and trustees' expenses

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2020: £nil).

There were no related party transactions in the year.