

Charity Registration No. 297489

Company Registration No. 2143753 (England and Wales)

**TEXTILE RECYCLING FOR AID AND INTERNATIONAL
DEVELOPMENT**

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2013

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**TEXTILE RECYCLING FOR AID AND INTERNATIONAL DEVELOPMENT
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees

Mr Ian Hagg
Mr David Williams
Mr Neil Carrett
Ms Lekha Klouda
Mr Stephen Robertson

Secretary

Mrs Maria Chenoweth-Casey

Charity number

297489

Company number

2143753

Principal address

Unit 3, Second Floor
65 Leonard Street
London
EC2A 4QS

Registered office

Unit 3, Second Floor
65 Leonard Street
London
EC2A 4QS

Auditors

H W Fisher & Company
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

Bankers

Barclays Bank Plc
36/38 Park Royal Road
Park Royal
London
NW10 7JA
United Kingdom

Solicitors

Pinney Talfourd LLP
Crown House
40 North Street
Hornchurch
Essex
RM11 1EW

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TEXTILE RECYCLING FOR AID AND INTERNATIONAL DEVELOPMENT
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

The trustees present their report and accounts for the year ended 31 December 2013.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the company's Memorandum and Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

ABOUT TRAID

TRAID is a charity which raises funds through one of its charitable objectives *the protection of the environment* by diverting unwanted clothing from the waste stream. TRAID's textile reuse and recycling operations, education programme and international development grant-making, give specific focus on reversing the negative impact of clothing on the environment, and poverty.

Unwanted clothing is disposed of and collected at TRAID's nationwide network of charity textile recycling banks. Clothing is primarily sorted for reuse and resale at TRAID charity shops, remaining textile is sold as wholesale for further reuse and recycling. These activities expand the lifecycle of clothing, reduce the need for natural resources, and reduce green house gas emissions.

The surplus income generated through TRAID's recycling activities fund international development programmes that alleviate poverty and inequality in some of the world's poorest communities. TRAID's current international development funding supports the vision, of a textile supply and production chain that is free from human exploitation and environmental damage.

TRAID also delivers in depth education programmes, giving people the tools to make informed choices about their clothing. Education programmes focus on; the problems of textile waste, promoting reuse and recycling for a more sustainable future, and delivers material on the impact of the garment industry on people's lives and the environment.

STRUCTURE, GOVERNANCE AND MANAGEMENT

TRAID is a registered charity (registration number 297489) and is constituted as a company registered in England and limited by guarantee (registration number 2143753). As stated in its Memorandum and Articles of Association, the purposes for which TRAID is established are:

- to contribute to the conservation and protection of the physical and natural environment for the public benefit, through undertaking recycling including the provision of recycling facilities for textiles, and the promotion of the practice of recycling textiles, clothing and other items;
- to apply surplus income to the relief of poverty anywhere in the world; and
- to advance the education of the public concerning recycling and world poverty through programmes of teaching, training, publishing, exhibitions, seminars and any other means of providing education services and resources.

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THE TRUSTEES

The Directors of TRAIID are its Trustees, collectively known as the Board of Trustees. The Trustees who were serving on the date of this report, and who served during 2013, were as follows:

Ms Lekha Klouda Serving Chair
Mr Ian Hagg
Mr David Williams
Mr Neil Carrett
Mr Stephen Robertson
Ms Anna Lovell*

*Anna Lovell resigned 25th July 2013.

The trustees may at their discretion admit any person who supports the objects of the charity, and particularly those with an interest or expertise in its work, to the Board.

A Trustee shall cease to hold office if he or she:

- (a) resigns in writing to the Charity;
- (b) is absent from three consecutive meetings of the Trustees without good reason, and the other Trustees pass a resolution that such Trustee shall be removed from office by reason of such absence;
- (c) is removed by a majority vote of the Trustees for conduct prejudicial to the Charity, provided that any member to be so removed shall have the right to make representation to the meeting at which the decision is to be made; or
- (d) becomes bankrupt, or is convicted of a criminal offence involving dishonesty by a court of competent jurisdiction, or otherwise ceases to be legally eligible to serve as a charity trustee or as a company director.

Appointments to TRAIID's Board are made on a needs basis to bring relevant skills and experience to the charity. Trustees are appointed by targeted recruitment or recommendation, interview with the Chair and Chief Executive and meeting with Board members.

During 2013 The Board reviewed its skill set and agreed to target recruitment of new Board members with the skills of International Development. During the year the Board started the process of identifying an appropriate International Development candidate.

The Senior Management Team who served during the year ended 31 December 2013 was as follows:

Maria Chenoweth-Casey	Chief Executive
Umashish Panda	Finance Manager
Enedina Columbano	Commercial Director
Madeleine Bates	International Development Manager
Angela Russ	International Development Manager
Leigh McAlea	Communications Manager
Lyla Patel	Education Manager
Andrea Speranza	Education Manager *maternity cover
Scott Coulter	Logistics Manager

The charity is managed by the Chief Executive in conjunction with the Board of Trustees and Senior Management Team. The Board of Trustees are responsible for governance; the Board and Chief Executive are responsible for the charity's strategic decisions, and the Senior Management Team, led by the Chief Executive are responsible for meeting the aims and objectives of the charity.

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The Board of Trustees has established the appropriate reporting mechanisms to ensure that the Senior Management Team operates within the scope of its delegated powers and to the charity's benefit. These mechanisms include, agreed annual budget/aims and objectives, quarterly written progress reporting, management accounts, audited accounts and an annual organisational performance review.

The Board of Trustees meet quarterly with the Chief Executive and Senior Management Team members to review strategic direction, risk, charitable objective and financial performance. The Chair of the Board meets regularly with the Chief Executive to review the progress of the charity.

RISK MANAGEMENT

The Board of Trustees has overall responsibility for TRAIID's process of controls, through which risk to the charity and its beneficiaries are measured. Risk management is expected to provide reasonable, rather than absolute, assurance against misappropriation of or ineffective use of resources, errors and fraud.

A detailed organisational risk register is held by both the Board and Chief Executive and Senior Management Team. The Risk Register is reviewed six monthly ensuring systems and controls are in place to monitor, manage and reduce TRAIID's exposure to major risks.

GRANT-MAKING POLICY

TRAID makes grants to selected charity partners to deliver international development programmes. These grants are based on funding criteria agreed with the Board.

In 2013, TRAIID's funding criteria were:

- To combat the negative impacts of the textile supply and production chain on people/or the environment.
- Improve the health, income and attainment of rights of those working in the textile supply and production chain. This includes children and home workers.

The application for funding process comprises of an annual Call for Proposals and submission of a Concept Note with selected applications invited to submit a full application. Full applications are assessed by the International Development Manager and Chief Executive for shortlisting and recommendations are, then submitted to the Board of Trustees for funding agreement. Selected charity partners and TRAIID sign a Memorandum of Understanding before the programme commences. TRAIID's International Development Manager monitors and evaluates the progress of programmes throughout the period of the grant.

TRAID'S CHARITABLE OBJECTIVES

TRAID's has three charitable objectives:-

To contribute to the conservation and protection of the physical and natural environment for the public benefit, through undertaking recycling including the provision of recycling facilities for textiles, and the promotion of the practice of recycling textiles, clothing and other items;

This is achieved by diverting unwanted textile and shoes from the waste stream through the provision to the public of charity textile recycling facilities, reusing and recycling textiles through TRAIID charity shops and wholesale, up-cycling unwanted textiles as part of TRAIID's sustainable fashion label TRAIIDremade, and by delivering educational work to raise the public's awareness of the impact of clothing on the environment.

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To apply surplus income to the relief of poverty anywhere in the world

TRAID's textile recycling activities generate a surplus of income allocated to international development programmes alleviating poverty worldwide. Projects are delivered and managed by registered non-governmental organisations and international development charities.

To advance the education of the public concerning recycling and world poverty through programmes of teaching, training, publishing, exhibitions, seminars and any other means of providing education services and resources.

TRAID established its education programme in 2003 and works with children, young people and adults to reduce textile waste, to reuse and recycle for a more sustainable future and to raise awareness of the impacts of clothes on people's lives and the environment. We deliver in depth education work in schools, universities, TRAIID shops, businesses and communities reaching people of all ages using a wide range of educational tools including practical workshops, assemblies, lectures and lesson plans.

AIMS AND OBJECTIVES 2013

Environmental Aims, Objectives

- To maintain TRAIID's charity textile recycling banks for public use.
- To increase the tonnage of clothing diverted from the waste stream.
- To secure outlets of reuse for textile that has been diverted from the waste stream by TRAIID.

Achievements

During 2013 TRAIID placed **139** new charity textile recycling banks for public use, increasing the tonnage of collected unwanted clothing by **7%**. TRAIID continued the implementation of its new scheme of on-demand clothing collections making recycling easy through collecting direct from its donors.

The annual *environmental impact* of diverting clothing from the waste stream during 2013 generated a Co2e saving of **36,638 tonnes**.

Throughout the year approximately **800,000** garments, were processed for sale through TRAIID's **11** shops.

Based on WRAP's 2012 report:

The displacement effect – 60% of clothing bought in a second hand shop replaces a new garment being purchased, therefore reducing the need and use of natural resources in the garment making process, therefore concluding that **TRAID** displaced **480,000** new garments throughout the course of the year.

International Water savings - for every **1 tonne** of clothing displaced, **2,534** cubic meters of water is saved, therefore TRAIID's water saving for the year averaged **1,216,320** cubic meters.

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EDUCATION AIMS, OBJECTIVES AND ACHIEVEMENTS

Aims and Objectives 2013

- To work with TRAIID's international development partners to educate the UK public on the global textile supply chain.
- To work closely with Local Authorities supporting waste education where TRAIID has textile banks.
- To continue building a leading educational voice communicating the impact of clothes on people's lives and the environment.

Achievements 2013

TRAID achieved an educational outreach of 9,635 people through delivering 328 TRAIID designed educational activities. Throughout the year TRAIID developed and launched an online educational kit designed to be used by teachers in class rooms, from the launch in September 91 educators have downloaded the pack.

TRAID has delivered workshops in partnership with a range of stakeholders including other NGOS such as Christian Aid, the Women's Institute and local authorities. As a result of these partnerships TRAIID participated in the European Week of Waste Prevention, hosted by the City of London In 2013. TRAIID delivered lectures and seminars at the London College of Fashion, the Royal College of Art, and UCA Epsom.

In 2013, TRAIID increased its manpower capacity to provide continuity to TRAIID school programmes by working with schools over a longer time frame to provide tailored projects. This has seen TRAIID lead classroom based work investigating the social, environmental and ethical impacts of the textile industry in Bexley, Kensington and Chelsea, Camden, Hackney, Brent and Hammersmith and Fulham boroughs.

INTERNATIONAL DEVELOPMENT AIMS, OBJECTIVES AND ACHIEVEMENTS

Aims and Objectives 2013

To utilize TRAIID's financial surplus through the funding of new International Development programmes.

Achievements 2013

Summary of New projects funded 2013

UK partner:	War on Want
Country:	Sri Lanka and Bangladesh
Project aim:	To increase garment workers' wages and protect them from exploitation and workplace accidents
Project length:	3 years
Amount:	£100,000

Problem: As textiles companies try to squeeze even larger profits from the textile production chain, garment workers are one of the 'links' in the chain which suffer. Men and women employed by textile factories work extremely long hours on very low pay, especially in Bangladesh. They are also exposed to appalling health and safety conditions. Disasters such as the collapse of the Rana Plaza factory or the Tazreen factory fire give us a tiny glimpse of what garment factory workers in these countries contend with to make our clothes. In reality health and safety issues affect workers every day. Women, always in the majority at the lower staff levels, are vulnerable to sexual and physical harassment and abuse, particularly when they are living away from home, in the Free Trade Zones in Sri Lanka for example.

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Project: This project will strengthen and support trade unions in Bangladesh and Sri Lanka so that workers are properly informed about their rights and know how to defend them, they receive legal aid when necessary, and so that they can stand together to put pressure on their respective governments to enforce a living wage. The project also aims to involve the UK government and consumers so that they take some responsibility for the clothes manufactured in these countries and sold here. The trade unions in each country will come together once a year to share their experiences so that they can learn from each other and coordinate their strategies for joint campaigning.

Who will benefit: 70,500 workers (about 60% of these will be women, with the majority in Bangladesh) will receive training, legal aid, or compensation.

UK partner:	ChildHope
Country:	Bangladesh
Project aim:	To end the cycle of poverty of women-headed families working in garment factories and prevent the children of these families being abused while their mothers are working
Project length:	<i>2 years</i>
Amount:	<i>£98,000</i>

Problem: All women but particularly single women (widowed, divorced or abandoned) working in Dhaka's garment factories face major childcare problems. There is a lack of government nurseries and private nurseries are too expensive. Women are therefore forced either to leave children at home in the care of siblings or, if they are a little older, to send them out to work. Both leave children vulnerable to trafficking, sexual abuse and accidents. As well as being extremely stressful for mothers this situation means that their families are trapped in poverty. Unless their children have a better start in life than their mothers they will go on to do the same sort of badly paid and insecure work, or worse.

Project: Four centers will be established: two for children of 2-5 years who along with the normal child development activities will be prepared for government primary schools. Two other centers will be for children of 6-16 years who will receive non-formal remedial education (basic literacy and numeracy) and life-skills training which will prepare them for enrolment in skills training institutes. Children will be able to drop in for three hours each day so that they can continue to work if absolutely necessary (that is if their families depend on their income). There will also be a campaign aimed at the government to inform people about the childcare problems faced by women in the garment industry.

Who will benefit: 150 children of 2-5 years who will receive a nutritious lunch and be free from violence and abuse. 250 street and working children of 6-16 years, priority will be given to children involved in hazardous forms of labour, of whom at least 50 of these will be enrolled in vocational training institutes. 400 mothers who can work without worrying about their children.

UK partner:	Kew
Country:	Mali
Project aim:	To equip poor, smallholder farmers with the knowledge, skills and resources to ensure that organic cotton farming remains sustainable
Project length:	<i>1 year</i>
Amount:	<i>£60,000 of £65,000</i>

Problem: Much of the rural population of Mali depends on cotton cultivation to make a living. Many smallholder farmers use wild plants to make organic pesticides to avoid the health and environmental hazards of chemical ones. However, the upsurge in organic farming has put a lot of pressure on these natural pesticides and soon organic farming on this basis will no longer be possible.

Project: Farmers will be taught how to grow their own pesticidal plants and/or have access to ones grown in their village. These will be managed by farmer cooperatives which will also be supported by the project ensuring that organic premiums (organic cotton fetches a higher price than cotton grown with chemical fertilizers) are well-invested and yields

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continue to increase. TRAIID also hopes that this and the cotton projects currently funded in Benin and Ethiopia can learn from each other, thus improving the effectiveness of all projects.

Who will benefit: 3,375 households (about 33,000 people) will benefit from better cotton yields, 27 farmer cooperatives from agricultural support, and the environment will be able to recover its vegetation.

UK partner:	Dalit Solidarity Network
Country:	India
Project aim:	To reduce or end the practice of Sumangali Thittam by putting pressure on state and national government and by engaging international brands which are often 'blind' to this link in the production chain
Project length:	3 years
Amount:	£163,000

Problem: In Tamil Nadu, south India, girls and young women are lured into working at spinning mills under the *Sumangali Thittam* or marriage scheme. The scheme promises to pay the girls a 'dowry-sized' bonus after three years of apprenticeship employment, an idea of great appeal to very poor families who otherwise worry about how they will ever save the amount required for their daughters' marriages. Many girls live on site in squalid, cramped hostels, rent for which is deducted from their already tiny 'apprentice' wages. Girls have limited contact with their families, even when they do leave the mill they are required to be 'accompanied' by a mill warden. They work long hours, do forced overtime and suffer verbal and physical abuse. In addition to all this, few girls ever receive the bonus as they are either fired just before the end of their contract or leave due to ill-health, injury or depression.

Project: The project will work at many levels: it will ensure all poor families are aware of the reality of the scheme; put pressure on the State Government to implement and enforce legislation relating to labour standards; lobby the national government to adhere to UN guiding principles on Business and Human Rights; provide the youngest or most vulnerable girls with alternative employment or reintegrate them in the school system, whichever appropriate; and it will work with mills to improve their practices, five of which will become 'model mills'. The Dalit Solidarity Network will also engage international brands supplied by mills in the project area to use their influence to improve working conditions and stop this scheme.

Who will benefit: Up to 5000 girls and young women will benefit over the three years, with 1000 children at risk being prevented from working under the scheme.

The year ahead

In 2014, TRAIID will continue engaging the public to recycle their unwanted clothing. This will be achieved by maintaining and expanding our network of publically accessed charity recycling banks, making recycling more inclusive through new initiatives and schemes, educating the public on the benefits of recycling and reuse and increasing the number of TRAIID shops from 11 to 12.

Through maintaining and increasing TRAIID's recycling activities, TRAIID has projected an increase in its social impacts.

TRAIID will grant funding of £400,000 to new international development programmes. Programme funding will continue to be specific to human and environmental exploitation within the textile supply and production chain.

TRAIID will continue with the aim of sustaining and increasing its environmental social impacts through monitoring the facilities offered to the public for disposing of unwanted clothing, the amount of unwanted clothes diverted from the

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FOR THE YEAR ENDED 31 DECEMBER 2013

waste stream, the amount of textile resold and reused, the amount of clothing displaced lessening the need for natural resources, CO2e and water savings.

TRAID's education will sustain its high level of outreach, giving people the tools to make informed choices on behaviour change within recycling and consumption, whilst promoting the environmental and international development social benefits of TRAIID.

PUBLIC BENEFIT

The Trustees have complied with their duty in section 17 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

FINANCIAL REVIEW

Bank balance

At the end of 2013 TRAIID's bank balance is £2,671,248. This sum covers:-

- Four months operating costs at £1,362,037 as per TRAIID's reserves policy
- Outstanding development funding commitments £170,422
- 2013 funding commitments of £425,000
- Wholesale customer deposits £28,000
- Surplus made over budget £162,587

For the year end 31st December 2013, TRAIID had incoming resources of £4,959,479 8% up on the previous year (2012: £4,589,652). Total resources expended were higher at £4,427,934 at (2012: £4,203,018).

At 31st December 2013 net assets amounted to £3,200,276 of which other charitable funds totalled £2,021,297 and designated funds totalled £1,178,979.

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RESERVES POLICY

It is the policy of TR Aid that unrestricted funds should be maintained to ensure that the Charity remains able to continue supporting its charitable activities accordingly. The Board has decided that the Charity should maintain reserves at a level of four months operating costs, to ensure uninterrupted operations.

The Board will continue to review the reserves policy of the charity annually.

INVESTMENT POLICY

It is the policy of the Trustees to maintain surplus funds in an interest bearing treasury or deposit account which may be accessed as required for the maintenance of TR Aid's reuse and recycling activities in the United Kingdom.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

AUDITORS

H W Fisher & Company were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they will be re-appointed as auditors of the company will be put to the Annual General Meeting.

On behalf of the Board of Trustees:



Lekha Klóuda
Chair of Trustees

Dated: 5 Aug 2014

TEXTILE RECYCLING FOR AID AND INTERNATIONAL DEVELOPMENT (A COMPANY LIMITED BY GUARANTEE) STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees, who are also the directors of Textile Recycling for Aid and International Development for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, 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; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts 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.

**TEXTILE RECYCLING FOR AID AND INTERNATIONAL DEVELOPMENT
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF TEXTILE RECYCLING FOR AID AND INTERNATIONAL
DEVELOPMENT**

We have audited the accounts of Textile Recycling for Aid and International Development for the year ended 31 December 2013 set out on pages 13 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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. 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 auditors' 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement 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 accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2013, and of its 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 Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

**TEXTILE RECYCLING FOR AID AND INTERNATIONAL DEVELOPMENT
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT (CONTINUED)**

**TO THE MEMBERS OF TEXTILE RECYCLING FOR AID AND INTERNATIONAL
DEVELOPMENT**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.

Sailesh Mehta (Senior Statutory Auditor)
for and on behalf of H W Fisher & Company

Chartered Accountants

Statutory Auditor

Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

Dated:

11 August 2014

TEXTILE RECYCLING FOR AID AND INTERNATIONAL DEVELOPMENT
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Unrestricted funds £	Designated funds £	Total 2013 £	Total 2012 £
<u>Incoming resources from generated funds</u>					
Investment income	2	36,359	-	36,359	31,774
Incoming resources from charitable activities	3	4,923,120	-	4,923,120	4,557,878
Total incoming resources		4,959,479	-	4,959,479	4,589,652
<u>Resources expended</u>					
Charitable activities	4				
Diverting clothes and shoes from landfill		4,064,196	-	4,064,196	3,917,616
Education on environmental and poverty issues		35,305	-	35,305	30,000
Oversens development projects		30,323	288,410	318,733	246,112
Total charitable expenditure		4,129,824	288,410	4,418,234	4,193,728
Governance costs		9,700	-	9,700	9,290
Total resources expended		4,139,524	288,410	4,427,934	4,203,018
Net incoming/(outgoing) resources before transfers		819,955	(288,410)	531,545	386,634
Gross transfers between funds	9	(456,834)	456,834	-	-
Net income for the year/ Net movement in funds		363,121	168,424	531,545	386,634
Fund balances at 1 January 2013		1,658,176	1,010,555	2,668,731	2,282,097
Fund balances at 31 December 2013		2,021,297	1,178,979	3,200,276	2,668,731

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

TEXTILE RECYCLING FOR AID AND INTERNATIONAL DEVELOPMENT
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET

AS AT 31 DECEMBER 2013

	Notes	2013 £	£	2012 £	£
Fixed assets					
Tangible assets	10		683,212		655,759
Current assets					
Debtors	11	445,104		474,300	
Cash at bank and in hand		2,671,248		2,031,234	
		<u>3,116,352</u>		<u>2,505,534</u>	
Creditors: amounts falling due within one year	12	(599,288)		(492,562)	
Net current assets			<u>2,517,064</u>		<u>2,012,972</u>
Total assets less current liabilities			<u><u>3,200,276</u></u>		<u><u>2,668,731</u></u>
Income funds					
Unrestricted funds:					
Designated funds	14		1,178,979		1,010,555
Other charitable funds			<u>2,021,297</u>		<u>1,658,176</u>
			<u><u>3,200,276</u></u>		<u><u>2,668,731</u></u>

The accounts were approved by the Board on 31 July 2014

Lekha Klouda

Ms Lekha Klouda
 Trustee

**TEXTILE RECYCLING FOR AID AND INTERNATIONAL DEVELOPMENT
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

1. Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006.

The charity has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small charity.

1.2 Incoming resources

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement.

1.3 Resources expended

Direct charitable expenditure comprises all the expenditure relating to the activities carried out to achieve the objectives.

Governance includes the costs of compliance with constitutional and statutory requirements.

Expenditure is allocated directly to the expenditure headings as far as practically possible to reflect the activities of the charity.

Wages are allocated to different activities on the basis of time spent.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Containers	33.33% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The financed element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.6 Accumulated funds

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

1.7 Grants Payable

These are recognised when approval for payment has been given by the trustees subject to any necessary proper conditions having been met by the beneficiaries.

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2 Investment income

	2013 £	2012 £
Interest receivable	36,359	31,774

3 Incoming resources from charitable activities.

	2013 £	2012 £
Diverting clothes and shoes from landfill	4,902,186	4,552,350
Education on environmental and poverty issues	20,934	5,528
	4,923,120	4,557,878

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4 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Grant funding £	Total 2013 £	Total 2012 £
Charitable activities						
<u>Diverting clothes and shoes from landfill</u>						
Activities undertaken directly	1,630,533	202,521	2,231,142	-	4,064,196	3,917,616
<u>Education on environmental and poverty issues</u>						
Activities undertaken directly	35,305	-	-	-	35,305	30,000
<u>Overseas development projects</u>						
Activities undertaken directly	30,323	-	-	-	30,323	22,980
Grant funding of activities	-	-	-	288,410	288,410	223,132
Total	30,323	-	-	288,410	318,733	246,112
	1,696,161	202,521	2,231,142	288,410	4,418,234	4,193,728
Governance costs	-	-	9,700	-	9,700	9,290
	1,696,161	202,521	2,240,842	288,410	4,427,934	4,203,018

Governance costs includes payments to the auditors of £9,700 (2012: £9,290) for audit fees.

5 Activities undertaken directly

	2013 £	2012 £
Other costs relating to diverting clothes and shoes from landfill comprise:		
Carriage & Freight	478,028	458,920
Container refurbishment Costs		29,998
Rent	924,651	888,185
Other costs	828,463	884,338
	2,231,142	2,261,441

6 Grants payable

	2013 £	2012 £
Overseas development projects	288,410	223,132

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Grants to institutions relating to overseas development projects comprise:

Partner Africa	-	10,000
Pan UK	94,836	22,026
Goodweave	55,000	70,000
Pesticide Action Network UK	-	4,000
Skillshare	12,248	28,577
PI Foundation	-	(7,500)
War On Want	17,000	66,255
Labour Behind the Label	22,290	22,290
Nagorik Uddyog	-	7,484
ChillHope	21,875	-
Dalit Solidarity Network UK	27,178	-
Foundation & Friends of RBG Kew	30,000	-
Sewa Delhi	18,830	-
Save the Children	(10,847)	-
	<u>288,410</u>	<u>223,132</u>

7 Trustees

None of the trustees received remuneration for their services during the year (2012: £nil).

None of the trustees were reimbursed for any expenses during the year (2012: £nil).

The charitable company did pay for trustees indemnity insurance during the year for the premium of £539 (2012: £1,214).

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8 Employees

Number of employees

The average monthly number of employees during the year was:

	2013 Number	2012 Number
Shops	53	53
Collecting, sorting and distribution	18	19
Education	3	2
Overseas development	2	2
Management and administration	6	5
Remade	-	1
Recycling	4	2
	<u>86</u>	<u>84</u>

Employment costs

	2013 £	2012 £
Wages and salaries	1,556,359	1,401,381
Social security costs	126,531	114,824
Other pension costs	13,271	15,573
	<u>1,696,161</u>	<u>1,531,778</u>

The number of employees whose annual emoluments were £60,000 or more were:

	2013 Number	2012 Number
£80,000 - £89,000	<u>1</u>	<u>1</u>

Contributions totalling £4,968 (2012: £4,460) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

9 Transfers

Funds have been transferred from unrestricted funds to designated funds to cover future obligations to grant funding.

Funds have been transferred from unrestricted funds to restricted funds to cover the deficit after expenditure.

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10 Tangible fixed assets

	Containers	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2013	975,917	600,810	66,693	1,643,420
Additions	32,998	196,974	-	229,972
At 31 December 2013	1,008,915	797,784	66,693	1,873,392
Depreciation				
At 1 January 2013	611,220	354,545	21,896	987,661
Charge for the year	111,533	83,880	7,106	202,519
At 31 December 2013	722,753	438,425	29,002	1,190,180
Net book value				
At 31 December 2013	286,162	359,359	37,691	683,212
At 31 December 2012	364,697	246,265	44,797	655,759

11 Debtors

	2013	2012
	£	£
Trade debtors	40,948	54,344
Other debtors	154,332	157,744
Prepayments and accrued income	249,824	262,212
	445,104	474,300

Included within other debtors is £67,261 (2012: £67,261) of rent deposits which are repayable in more than one year. The rent deposits are charges as security for amounts payable under the respective leases.

12 Creditors: amounts falling due within one year

	2013	2012
	£	£
Trade creditors	246,796	161,870
Taxes and social security costs	30,882	28,143
Other creditors	25,000	25,000
Accruals	296,610	277,549
	599,288	492,562

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13 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2013	2012
	£	£
Contributions payable by the company for the year	13,271	15,573

14 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2013	Movement in funds		Transfers	Balance at 31 December 2013
	£	Incoming resources £	Resources expended £	£	£
Pan UK	210,258	-	(94,836)	-	115,422
Fixed Asset Fund	655,759	-	-	27,453	683,212
Skillshare	12,248	-	(12,248)	-	-
Goodweave	110,000	-	(55,000)	-	55,000
Labour Behind the Label	22,290	-	(22,290)	-	-
Dalit Solidarity Network UK	-	-	(27,178)	163,068	135,890
ChildHope	-	-	(21,875)	98,330	76,455
Foundation & Friends of RBG Kew	-	-	(30,000)	60,000	30,000
Save the Children	-	-	10,847	(10,847)	-
Sewa Delhi	-	-	(18,830)	18,830	-
War on Want	-	-	(17,000)	100,000	83,000
	1,010,555	-	(288,410)	456,834	1,178,979

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14 Designated funds

(Continued)

Pan UK

Improving farming methods and reducing pesticide use on cotton farms and plantations to increase yields, and therefore incomes, and reduce pesticide-related ill-health.

Fixed Asset Fund

This represents the net book value of the fixed assets at 31 December 2012.

Goodweave

Introducing a new standard for handmade rugs that adds to existing RugMark certificate. Not only will this standard aim to eradicate child labour, but also bonded and forced labour and negative environmental impacts.

Labour Behind the Label

Resolution of 80 labour disputes related to wages, over work etc. Production of an international report which shows link between malnutrition, ill-health and poverty pay. Findings to be presented to brands, the government and the employers' association.

Dalit Solidarity Network UK

Combating the negative impacts of the textile supply and production chain on people particularly girls and young women in the mills in Tamil Nadu.

Child Hope

Challenging injustice and promoting the rights of female garment workers and their children in Dhaka, Bangladesh.

Foundation & Friends of RBC Kew

Addressing the negative effects of the cotton supply chain by equipping smallholder organic cotton farmers in Mali with the knowledge and skills needed to cultivate organic pesticidal plants, which are currently harvested unsustainably from the wild.

Creating a Child Friendly Textile and Garment Industry in Vietnam

Change attitudes towards child labour and support local authorities to protect children from harm and provide them with the future they deserve.

Sewa Delhi

Support for capacity building of women owned artisan's institution in Delhi.

War on Want

Improving working conditions for Bangladeshi and Sri Lankan textile workers.

15 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Total
	£	£	£
Fund balances at 31 December 2013 are represented by:			
Tangible fixed assets	-	683,212	683,212
Current assets	2,703,585	412,767	3,116,352
Creditors: amounts falling due within one year	(599,288)	-	(599,288)
DIFFERENCE TO ANALYSE	(83,000)	83,000	
	<u>2,021,297</u>	<u>1,178,979</u>	<u>3,200,276</u>

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16 Commitments under operating leases

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2013	2012
	£	£
Expiry date:		
Within one year	16,000	49,000
Between two and five years	52,800	52,800
In over five years	829,000	660,500
	<u>897,800</u>	<u>762,300</u>