

Charity Registration No. 297489

Company Registration No. 2143753 (England and Wales)

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**TEXTILE RECYCLING FOR AID & INTERNATIONAL
DEVELOPMENT**

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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**TEXTILE RECYCLING FOR AID & 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 Andy Rutherford Mr Stephen Robertson Ms Mary McDonald
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

TEXTILE RECYCLING FOR AID & INTERNATIONAL DEVELOPMENT

(A COMPANY LIMITED BY GUARANTEE)

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**TEXTILE RECYCLING FOR AID & INTERNATIONAL DEVELOPMENT
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

The trustees present their report and accounts for the year ended 31 December 2014.

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 1985 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Structure, Governance and Management

TRAID is a registered charity (registered charity 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 TRAIID 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.

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 2014, were as follows:

Ms Lekha Klouda Serving Chair
Mr Ian Hagg
Mr David Williams
Mr Neil Carrett
Mr Stephen Robertson
Mr Andy Rutherford
Ms Mary McDonald Appointed: 01/07/2014

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 the Board.

During 2014, following on from a review of its skill set the previous year, The Board recruited a new Trustee with finance expertise.

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The Senior Management Team who served during 2014 was as follows:

Maria Chenoweth-Casey	Chief Executive
Umashish Panda	Finance Manager
Enedina Columbano	Commercial Director
Angela Russ	International Development Manager
Leigh McAlea	Communications Manager
Lyla Patel	Education Manager (Returned August 2014 replacing Andrea Speranza who provided maternity cover)
Roberto Clemente	Logistics Manager (Started in August 2014 replacing Scott Coulter)

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.

The Board of Trustees have 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 an Annual Budget detailing the charity's aims and objectives, Quarterly Reports, 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 the misappropriation 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 2014, 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 process for funding comprises 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 then submitted to the Board of Trustees for final appraisal and funding agreement. Selected charity partners and TRAIID sign a Memorandum of Understanding before the project commences. TRAIID's International Development Manager monitors and evaluates project progress throughout the period of the grant.

Public Benefit

The Trustees have complied with their duty in section 4 of the Charities Act 2006 to have due regard to guidance published by the Charity Commission.

**TEXTILE RECYCLING FOR AID & INTERNATIONAL DEVELOPMENT
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

Objectives and Activities

TRAID is a charity which works to tackle and solve the environmental damage and social injustice caused by the waste, production and consumption of clothes both in the UK and globally.

The charity has three charitable objectives:

- a) 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;
- b) To apply surplus income to the relief of poverty anywhere in the world
- c) 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 provides the UK public with clothes reuse facilities including a nationwide network of clothes recycling banks, a regional free home collection service to stop clothes being thrown away and London based charity shops as routes for reuse rather than throwing clothes away.

Clothes collected are sorted for reuse and resale in TRAIID's charity shops, with any remaining textile sold as wholesale for further reuse and recycling. These reuse operations have huge environmental and social benefits including: reducing the volume of textile entering the waste stream, reducing green-house gas emissions generated by textile in landfill, extending the lifecycle of clothing, encouraging the reuse of already existing resources rather than new, reducing consumption and raising surplus income to fund international developments. Specifically, TRAIID funds international development projects to prevent exploitation and environmental damage across the textile supply and production chain.

TRAID also delivers in depth education programmes giving people of all ages 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 raises awareness of the environmental and social justice impacts of the production and supply of clothes.

Strategic report

TRAID holds an ongoing strategic commitment of protecting the environment through making recycling clothes easy and inclusive to all, poverty relief through the funding of international programmes and supporting its work through educationally engaging the public with the cause and effect clothing has in relation to people and the environment.

Achievements and performance

Protecting the Environment

In 2014, TRAIID diverted **2,611 tonnes** of unwanted textile from the waste stream via its clothes recycling banks which in turn reduced CO2e emissions by **36,554 tonnes**. **93%** of all clothes donated to TRAIID were reused.

The charity also successfully scaled up a pilot scheme launched in 2013 to provide parts of the UK with free home collections of unwanted clothes.

TRAID also opened a new charity shop in London in October 2014 providing another important route through which unwanted clothes can be donated, reused and resold – raising funds for our charitable objectives.

Throughout the year approximately **800,000** garments, were processed for sale through TRAIID's charity shops (11 shops from Jan-Oct, and 12 from Oct-Dec)

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** garments throughout the course of the year.

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International Water savings - for every **1 tonne** of clothing displaced, **2,534** cubic meters of water is saved, therefore TR Aid's water saving for the year averaged **506,800** cubic meters.

Educating the public

TR Aid achieved an educational outreach of **5,934** people of all ages delivering **162** educational activities. In addition, the TR Aid's well-established school programme worked directly with **3,944** children of all ages running **64** activities focussed on reuse and sustainability across primary and secondary schools. In addition, **108** educators and teachers downloaded online educational resources produced by TR Aid for use in the classroom.

In non-formal educational settings, the education team delivered reuse and mending workshops, assemblies, talks and bespoke projects with a wide range of stakeholders including London College of Fashion, the Barbican, Harringay Green Fair, Standon Calling, Hornsey Street Festival, the Victoria & Albert Museum, the Brighton Museum, Circle Housing Group and Harrow Women's Institute.

TR Aid also launched its first ever **#SECONDHANDFIRST Week** to engage the public and shop customers to buy and celebrate second-hand. TR Aid and its partners delivered **32 events** engaging thousands of people across the UK. Events and activities included film screenings revealing conditions in the garment industry, mending workshops, clothes swaps and waste reduction workshops.

Complementing this work, TR Aid also launched and delivered **#TRAIDTALKS**, a new educational initiative welcoming speakers from around the world to critically discuss aspects of sustainability and to make stronger connects with our peers through debate.

To engage Local Authorities, TR Aid ran a successful day-long workshop for Local Authority staff working on waste management and prevention. It was attended by **27** participants from a wide range of boroughs including Hackney, Wandsworth and Slough, St Albans, Waltham Forest and Somerset.

The relief of poverty

TR Aid's 2014 grant making process was circulated on the website and at BOND, an umbrella organisation representing 400 International Development organisations. TR Aid received **49** proposals with seven organisations invited to submit full applications. The Board, the CEO and the International Development Programmes Manager approved four projects committing grants of **£399,954** in total (a summary of the projects is below).

In 2014, TR Aid focussed on assessing project implementation and impact working with partners to improve the information received as well as project design. TR Aid began a process of extracting more meaningful lessons from projects funded, in particular by encouraging and facilitating exchanges between partners where organisations are working on similar themes.

TR Aid staff (the International Development Programmes Manager and the Head of Communications) visited two projects in 2014, a cotton project in Mali and a project to support garment workers in Bangladesh. Trip objectives were to learn about the projects by speaking directly with project staff and beneficiaries, to film and photograph TR Aid funded project work to better promote it, and to learn more about different parts of the textile supply and production chain to better inform funding, and disseminate information both externally and internally.

2014 International Development Project Summaries

UK partner:

Local Partner:

Country:

Project Aim:

Project Length:

Amount funded:

War on Want

Scholars Against Corporate Misbehaviour

China, Guangdong Province

To strengthen the capacity of workers to build democratic unions and a worker based corporate social responsibility, and to raise awareness internationally of Chinese labour issues

2 Years

£75,397

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Trade unions are proliferating in Guangdong province but most factory employers assign their managers as the office bearers of the union committees and workers lack the right to strike and collectively bargain, with attempts being suppressed forcibly by the police. Though factories have taken on the notion of corporate social responsibility workers are not involved so aspects of corporate social responsibility (CSR) such as factory audits are meaningless.

Research will be undertaken in three factories to establish exactly what union and CSR practices are in place. Workers will be trained on CSR, and how they should be involved; trade union law; union elections; and communicating with management. There will also be a speaker tour to Europe by a Chinese activist to lobby international bodies (SEDEX, ETI etc), trade unions and government officials, a campaign to raise awareness of labour law and CSR in China, and an international media drive to raise awareness of Chinese labour issues.

Who will benefit?

- 9000 workers in factories will have increased knowledge of trade union laws and labour rights and will be prepared for direct election of TU representatives
- 300 management staff will have increased knowledge of participatory CSR models and auditing
- 6000 workers will know how to run democratic TU committee elections and collectively bargain

UK partner:

Local Partner:

Country:

Project Aim:

Project Length:

Amount funded:

Labour Behind the Label

CLEC

Cambodia

To build the capacity of union leaders, provide paralegal support in cases of labour law violation; engage brands in labour issues; and bring international attention to labour rights' violations in Cambodia

2 Years

£73,502

In late 2013 Cambodian garment workers went on a nationwide strike to demand an increase in the minimum wage to \$160/month. Earlier this year the government waged a lethal crackdown on the strikers - four people died, a further 40 were injured and 23 human rights defenders were arrested and detained. As a result of the strike the Cambodian government did consent to an increase in the minimum wage, from \$61 to \$100, but it also made it illegal for workers to gather in groups of more than 10 and banned union registration.

During this long strike 25 unions took action together. It is quite unusual for unions to work in such a unified way. The local partner would like to capitalise on this and support them in their quest for a decent minimum wage. The project will train union leaders in labour law and advocacy. Workers and union leaders will be given paralegal support in cases of labour law violations. Forty workers will be provided with smartphones to generate photo and video footage to lobby brands and for submitting evidenced complaints to labour bodies. This footage will also be used to make a documentary to pitch to news agencies and for a garment industry blog for consumers in the UK, Europe and America. LBL will work with the local partner on cases, demanding that brands engage with worker issues through letters, meetings, social networks etc. They will also try to develop an agreement between brands, suppliers and unions on the payment of a living wage.

Who will benefit?

- 400 union leaders will be trained in labour law and advocacy
- 30,000 workers will participate in advocacy events (rallies, workers' fora etc)
- 20 'citizen reporters' will be trained and equipped
- 10 UK campaigners will be trained and equipped

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UK partner:	Foundation and Friends of RGB KEW
Local Partner:	Mouvement Biologique Malien
Country:	Mali
Project Aim:	To equip poor smallholder farmers with the skills to ensure that organic cotton farming remains sustainable
Project Length:	2 Years (started in September)
Amount funded:	£100,049

Much of the rural (and about 25% of the total) 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 rise 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.

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 be supported to ensure organic premiums (organic cotton fetches a higher price than cotton grown with chemical pesticides and fertilisers) are well-invested and yields continue to increase.

Who will benefit?

- 3,375 households (about 33,000 people) will benefit from better cotton yields, about 30% of the farmers are women
- 27 farmer cooperatives will have agricultural support

UK partner:	Pesticide Action Network UK
Local Partner:	
Country:	Benin
Project Aim:	To improve the livelihoods, food security and health of Beninese smallholder cotton farmers by reducing their exposure to hazardous pesticides and improving the profitability of their crops
Project Length:	3 Years (Started November)
Amount funded:	£151,006

Benin has a largely rural population, most of which is involved in smallholder farming. Cotton is grown throughout Benin and accounts for 80% of its export income. However it is notoriously difficult to grow and necessitates more pesticide use than any other major crop. Cotton smallholder farmers spend up to 60% of their income on pesticides which puts them at major risk of debt. Pesticide poisoning (accidents and chronic health problems) is also a huge problem as is long term environmental damage (water pollution and loss of biodiversity), both impacting on Benin's development as a whole.

The project is similar to PAN's original project but reaches out to new farmers. Farmers will be trained and supported to use innovative but proven organic techniques to improve yields and incomes. The government has already committed to buying their whole harvest as a result of a lobbying under the previous project. In addition support will be given to farmers (particularly women) to add value (through techniques plus simple machinery) to companion crops such as shea and cashew, which are rotated with cotton as part of the farmers' organic practice. All project results will be shared with other PAN projects/relevant TRAIID partners.

Who will benefit?

- 1,500 farmers, of whom 40% or about 600 will be women (other organic cotton projects in Africa reach about 20-30% women and conventional cotton even less) who have increased incomes (by at least 20%), and do not suffer from pesticide health problems
- 6,750 family members by increased income and no longer exposed to pesticide health hazards
- 150 Shea nut growers, 350 cashew farmers who have increased incomes and less manual work

**TEXTILE RECYCLING FOR AID & INTERNATIONAL DEVELOPMENT
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

Financial Review

For the year end 31st December 2014, TR Aid had incoming resources of £4,945,851 (2013: £4,959,479) and total resources expended of £4,893,141 (2013: £4,427,934).

At 31st December 2014 net assets amounted to £3,252,986 (2013: £3,200,276) of which other charitable funds totalled £2,213,428 (2013: £2,021,297) and designated funds totalled £1,039,558 (2013: £1,178,979).

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 six months operating costs, to ensure uninterrupted operations. Based on the 2014 figures, the charity would need £2,274,582 to cover six months operating costs. Given that unrestricted reserves at year end stood at £2,213,428, this leaves a shortfall of £61,154 which TR Aid aims to meet by continuing to make surpluses going forward.

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.

Plans for the future

Looking to 2015, TR Aid will continue to meet its three charitable objectives; the protection of the environment through its recycling activities, to educate the public through its educational activities and the relief of poverty through funding international development programmes.

TR Aid will work to maintain its clothes recycling bank network, educational outreach and reuse and recycling through its network of TR Aid charity shops.

The charity will continue to focus its international development funding on projects related to reducing exploitation and environmental damage in the textile industry. In 2015, TR Aid will grant funding of £200,000 to development projects and rather than calling for new proposals, will commit this funding to provide further development, support and financial capacity to projects and partners we currently fund. It is anticipated this will give TR Aid the opportunity to strengthen existing work.

Principal Risks

Other than market conditions (which are regularly monitored, reviewed and acted upon) there are no principal risks that can seriously affect the performance of the charity.

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TEXTILE RECYCLING FOR AID AND INTERNATIONAL DEVELOPMENT
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

Funds Held as Custodian Trustees on behalf of others

There are no funds held by Custodian Trustees on behalf of others

On behalf of the Board of Trustees who also approve the Strategic Report in their capacity as company directors:

LK
Lekha Klouda
Chair of Trustees
Dated:

Lekha Klouda

11 Sept 2015

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

The trustees, who are also the directors of Textile Recycling for Aid & 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 & INTERNATIONAL DEVELOPMENT (A COMPANY LIMITED BY GUARANTEE) INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TEXTILE RECYCLING FOR AID & INTERNATIONAL DEVELOPMENT

We have audited the accounts of Textile Recycling for Aid & International Development for the year ended 31 December 2014 set out on pages 12 to 24. 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 9, 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 2014, 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 & INTERNATIONAL DEVELOPMENT
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE MEMBERS OF TEXTILE RECYCLING FOR AID & 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: 16 September 2015

TEXTILE RECYCLING FOR AID & INTERNATIONAL DEVELOPMENT
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Unrestricted funds £	Designated funds £	Total 2014 £	Total 2013 £
<u>Incoming resources from generated funds</u>					
Investment income	2	22,893	-	22,893	36,359
Incoming resources from charitable activities	3	4,919,106	-	4,919,106	4,923,120
Other incoming resources	4	3,852	-	3,852	-
Total incoming resources		4,945,851	-	4,945,851	4,959,479
<u>Resources expended</u>					
	5				
Charitable activities					
Diverting clothes and shoes from landfill		4,141,828	246,478	4,388,306	4,064,196
Education on environmental and poverty issues		73,233	-	73,233	35,305
Overseas development projects		37,763	383,989	421,752	318,733
Total charitable expenditure		4,252,824	630,467	4,883,291	4,418,234
Governance costs		9,850	-	9,850	9,700
Total resources expended		4,262,674	630,467	4,893,141	4,427,934
Net incoming/(outgoing) resources before transfers		683,177	(630,467)	52,710	531,545
Gross transfers between funds	10	(491,046)	491,046	-	-
Net incoming/(outgoing) resources		192,131	(139,421)	52,710	531,545
Net movement in funds		192,131	(139,421)	52,710	531,545
Fund balances at 1 January 2014		2,021,297	1,178,979	3,200,276	2,668,731
Fund balances at 31 December 2014		2,213,428	1,039,558	3,252,986	3,200,276

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

 Company Registration No 2143753 (England and Wales)
TEXTILE RECYCLING FOR AID AND INTERNATIONAL DEVELOPMENT
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET

AS AT 31 DECEMBER 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	11		569,041		683,212
Current assets					
Debtors: amounts falling due within one year	12	405,984		377,843	
Debtors: amounts falling due after more than one year	12	77,261		67,261	
Cash at bank and in hand		2,720,276		2,671,248	
		3,203,521		3,116,352	
Creditors: amounts falling due within one year	13	(519,576)		(599,288)	
Net current assets			2,683,945		2,517,064
Total assets less current liabilities			3,252,986		3,200,276
Income funds					
Unrestricted funds:					
Designated funds	15		1,039,558		1,178,979
Other charitable funds			2,213,428		2,021,297
			3,252,986		3,200,276

The accounts were approved by the Board on 07 SEPTEMBER 2015



Ms Lekha Klouda
Trustee

TEXTILE RECYCLING FOR AID & INTERNATIONAL DEVELOPMENT
(A COMPANY LIMITED BY GUARANTEE)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

		2014	2013
	Notes	£	£
Net cash inflow from operating activities	17	177,483	869,988
Capital expenditure			
Payments to acquire tangible fixed assets		(136,185)	(229,972)
Receipts from sales of tangible fixed assets		7,730	(2)
Net cash outflow from capital expenditure		(128,455)	(229,974)
Increase in cash	18	49,028	640,014

**TEXTILE RECYCLING FOR AID & INTERNATIONAL DEVELOPMENT
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

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.

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% straight line
Fixtures, fittings & equipment	25% straight line
Motor vehicles	25% straight line

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 finance 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.

TEXTILE RECYCLING FOR AID & INTERNATIONAL DEVELOPMENT
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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

2 Investment income

	2014 £	2013 £
Interest receivable	22,893	36,359

3 Incoming resources from charitable activities.

	2014 £	2013 £
Diverting clothes and shoes from landfill	4,911,138	4,902,186
Education on environmental and poverty issues	7,968	20,934
	4,919,106	4,923,120

4 Other incoming resources

	2014 £	2013 £
Net gain on disposal of fixed assets	3,852	-

TEXTILE RECYCLING FOR AID & INTERNATIONAL DEVELOPMENT
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

5 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Grant funding £	Total 2014 £	Total 2013 £
Charitable activities						
<u>Diverting clothes and shoes from landfill</u>						
Activities undertaken directly	1,829,075	246,478	2,312,753	-	4,388,306	4,064,196
<u>Education on environmental and poverty issues</u>						
Activities undertaken directly	60,085	-	13,148	-	73,233	35,305
<u>Overseas development projects</u>						
Activities undertaken directly	29,879	-	7,884	-	37,763	30,323
Grant funding of activities	-	-	-	383,989	383,989	288,410
Total	29,879	-	7,884	383,989	421,752	318,733
	1,919,039	246,478	2,333,785	383,989	4,883,291	4,418,234
Governance costs						
	-	-	9,850	-	9,850	9,700
	1,919,039	246,478	2,343,635	383,989	4,893,141	4,427,934

Governance costs includes payments to the auditors of £9,850 (2013: £9,700) for audit fees.

6 Activities undertaken directly

	2014 £	2013 £
Other costs relating to diverting clothes and shoes from landfill comprise:		
Carriage & Freight	417,266	478,028
Rent	929,511	924,651
Other costs	719,498	828,463
Other costs	246,478	-
	2,312,753	2,231,142

TEXTILE RECYCLING FOR AID & INTERNATIONAL DEVELOPMENT
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

7 Grants payable

	2014 £	2013 £
Overseas development projects	383,989	288,410
Grants to institutions relating to overseas development projects comprise:		
Pan UK	133,592	94,836
Goodweave	45,000	55,000
Skillshare	-	12,248
War On Want	18,035	17,000
Labour Behind the Label	23,316	22,290
ChildHope	55,690	21,875
Dalit Solidarity Network UK	54,356	27,178
Foundation & Friends of RBG Kew	54,000	30,000
Sewa Delhi	-	18,830
Save the Children	-	(10,847)
	383,989	288,410

8 Trustees

None of the trustees received remuneration for their services during the year (2013: £nil).

None of the trustees were reimbursed for any expenses during the year (2013: £nil).

The charitable company did pay for trustees indemnity insurance during the year for the premium of £1,146 (2013: £539).

TEXTILE RECYCLING FOR AID & INTERNATIONAL DEVELOPMENT
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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2014 Number	2013 Number
Shops	57	53
Collecting, sorting and distribution	28	18
Education	2	3
Overseas development	1	2
Management and administration	4	6
Recycling	4	4
	<u>96</u>	<u>86</u>

Employment costs

	2014 £	2013 £
Wages and salaries	1,762,746	1,556,359
Social security costs	142,952	126,531
Other pension costs	13,341	13,271
	<u>1,919,039</u>	<u>1,696,161</u>

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

	2014 Number	2013 Number
£80,000 - £89,000	1	1

Contributions totalling £5,117 (2013: £4,968) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

10 Transfers

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

TEXTILE RECYCLING FOR AID & INTERNATIONAL DEVELOPMENT
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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

11 Tangible fixed assets

	Containers	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2014	1,008,915	797,784	66,693	1,873,392
Additions	559	125,926	9,700	136,185
Disposals	(43,357)	(4,540)	-	(47,897)
At 31 December 2014	966,117	919,170	76,393	1,961,680
Depreciation				
At 1 January 2014	722,753	438,425	29,002	1,190,180
On disposals	(43,357)	(662)	-	(44,019)
Charge for the year	130,148	105,979	10,351	246,478
At 31 December 2014	809,544	543,742	39,353	1,392,639
Net book value				
At 31 December 2014	156,573	375,428	37,040	569,041
At 31 December 2013	286,162	359,359	37,691	683,212

12 Debtors

	2014	2013
	£	£
Trade debtors	37,736	40,948
Other debtors	200,931	154,332
Prepayments and accrued income	244,578	249,824
	483,245	445,104
Amounts falling due after more than one year and included in the debtors above are:		
	2014	2013
	£	£
Other debtors	77,261	67,261

Included within other debtors is £77,261 (2013: £67,261) of rent deposits which are repayable in more than one year. The rent deposits are charged as security for amounts payable under the respective leases.

TEXTILE RECYCLING FOR AID & INTERNATIONAL DEVELOPMENT
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NOTES TO THE ACCOUNTS (CONTINUED)
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13 Creditors: amounts falling due within one year	2014	2013
	£	£
Trade creditors	208,270	246,796
Taxes and social security costs	40,248	30,882
Other creditors	-	25,000
Accruals	271,058	296,610
	519,576	599,288

14 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.

	2014	2013
	£	£
Contributions payable by the company for the year	13,341	13,271

TEXTILE RECYCLING FOR AID & INTERNATIONAL DEVELOPMENT
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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

15 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 2014	Movement in funds		Transfers	Balance at 31 December 2014
	£	Incoming resources	Resources expended	£	£
Pan UK	115,422	-	(133,592)	179,324	161,154
Fixed Asset Fund	683,212	-	(246,478)	132,307	569,041
Goodweave	55,000	-	(45,000)	-	10,000
Labour Behind the Label	-	-	(23,316)	73,502	50,186
Dalit Solidarity Network UK	135,890	-	(54,356)	4	81,538
ChildHope	76,455	-	(55,690)	4,825	25,590
Foundation & Friends of RBG Kew	30,000	-	(54,000)	100,049	76,049
War on Want	83,000	-	(18,035)	1,035	66,000
	1,178,979	-	(630,467)	491,046	1,039,558

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 2014.

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.

ChildHope

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

Foundation & Friends of RBG 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.

War on Want

Improving working conditions for Bangladeshi and Sri Lankan textile workers.

TEXTILE RECYCLING FOR AID & INTERNATIONAL DEVELOPMENT
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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

16 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Total
	£	£	£
Fund balances at 31 December 2014 are represented by:			
Tangible fixed assets	-	569,041	569,041
Current assets	2,733,004	470,517	3,203,521
Creditors: amounts falling due within one year	(519,576)	-	(519,576)
	<u>2,213,428</u>	<u>1,039,558</u>	<u>3,252,986</u>

17 Net cash inflow from operating activities

	2014	2013
	£	£
Reconciliation to changes in resources		
Changes in resources before revaluations	52,710	531,545
Depreciation of tangible fixed assets	246,478	202,521
Profit on disposal of tangible fixed assets	(3,852)	-
(Increase)/decrease in debtors	(38,141)	29,196
(Decrease)/Increase in creditors	(79,712)	106,726
	<u>177,483</u>	<u>869,988</u>

18 Reconciliation of net cash flow to movement in net funds

	2014	2013
	£	£
Increase in cash	49,028	640,014
Net funds at 1 January 2014	2,671,248	2,031,234
Net funds at 31 December 2014	<u>2,720,276</u>	<u>2,671,248</u>

19 Analysis of net cash balances

	At 1 January 2014	Cash flow	Non-cash changes	At 31 December 2014
	£	£	£	£
Cash at bank and in hand	2,671,248	49,028	-	2,720,276
	<u>2,671,248</u>	<u>49,028</u>	<u>-</u>	<u>2,720,276</u>

TEXTILE RECYCLING FOR AID & INTERNATIONAL DEVELOPMENT
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NOTES TO THE ACCOUNTS (CONTINUED)
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20 Commitments under operating leases

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2014	2013
	£	£
Expiry date:		
Within one year	-	16,000
Between two and five years	120,333	52,800
In over five years	951,300	829,000
	1,071,633	897,800