

Charity Registration No. 297489

Company Registration No. 2143753 (England and Wales)

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TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015



TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms Lekha Klouda Mr Ian Hagg Mr David Williams Mr Neil Carrett Mr Stephen Robertson Mr Andy Rutherford Mrs Mary McWarren
Secretary	Mrs Maria Chenoweth-Casey
Charity number	297489
Company number	2143753
Registered office	Second Floor 51-53 High Road London N22 6BH
Auditor	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 REUSE AND INTERNATIONAL DEVELOPMENT

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TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

The trustees present their report and accounts for the year ended 31 December 2015.

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 2015, 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 McWarren

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.

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Trustee Induction

Trustees are inducted into the organisation through meeting personnel and access to documentation. Appointed Trustees meet with the CEO and Chair for strategic overview, following meetings are held with senior management that are related to the specific skill set of the new board member. New Trustees receive and review documentation of TRAIID's accounts, finances, management reports, strategies and organisational performance.

Senior Management

The Senior Management Team who served during 2015 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
Roberto Clemente	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.

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 meets 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.

Remuneration

TRAIID's salaries are benchmarked against the relevant external sector. Bodies such as the Charity retail association and external recruitment agencies relevant to a specific field of work are used for remuneration calculation.

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 annually ensuring systems and controls are in place to monitor, manage and reduce TRAIID's exposure to major risks.

Grant Making Policy

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

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In 2015, TRAIID's funding criteria was focused on:

Strengthening the work of partners that TRAIID already funds.

The continued criteria of combating the negative impacts of the textile supply and production chain on people/or the environment.

Improvements to current project work were identified, and agreed by the Board.

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.

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 and London based charity shops as routes for reuse rather than throwing clothes away.

Clothes collected are sorted for 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.

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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 2015, TRAITD diverted **2,512 tonnes** of unwanted textile from the waste stream via its clothes recycling banks which in turn reduced CO2e emissions by **29,577 tonnes**. **84%** of all clothes donated to TRAITD were reused.

The charity continued to expand upon offering free home collections for people that want to participate in reuse with their unwanted clothes.

Throughout the year approximately **800,000** garments, were sold through TRAITD's 11 charity 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** 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 TRAITD's water saving for the year averaged **506,800** cubic meters.

Educating the public

TRAID achieved an educational outreach of **4,563** people of all ages delivering **150** educational activities. In addition, TRAITD's well-established school programme worked directly with **2,827** children of all ages running **75** activities focussed on reuse and sustainability across primary and secondary schools. In addition, **139** educators and teachers downloaded online educational resources produced by TRAITD 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 Camberwell College of Arts, Central St Martins, London School of Economics, London College of Fashion, Vanderbilt University from Nashville Tennessee and the Royal College of Art.

TRAID also held its second **#SECONDHANDFIRST Week** to engage the public and shop customers to buy and celebrate second-hand, whilst promoting the environmental and charitable benefits of second-hand clothing.

TRAID also delivered 4 **#TRAIDTALKS**, its 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.

In 2015, TRAITD ran community outreach events in Hammersmith and Fulham, Brent, Haringey, Hackney, Oxford, Southampton, Slough, Hounslow, Southwark, Royal Borough of Kensington and Chelsea, Islington, East Sussex and the City of Westminster delivering **28** sessions across the year.

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The relief of poverty

In 2015, £200,000 was granted to current partners to fill gaps in existing projects or respond to changed circumstances. In addition, one new project was selected: research into pesticide surveillance in Benin.

A total of **£184,872** was committed to seven 'mini' projects, as detailed below. The remaining **£15,000** is held in a contingency fund for current international projects.

2015 projects

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:	2 years
Amount:	£34,543

Problem? There have been various parts of the work of both National Garment Workers Federation (NGWF) and The Free Trade Zones & General Services Employees Union (FTZ&GSEU) which have been short of funds over the last couple of years and/or new ideas which have evolved as the project has developed.

Project? The project will fund additional finance personnel for both organisations and global audits. FTZ&GSEU will be funded to expand to two new zones, in part to increase its lobbying muscle, and to open a 'community laundry' to make it easier for women to attend union meetings and activities. Both unions need to compensate workers for lost pay during training sessions. As the minimum wage has increased in both countries so has the level of compensation. NGWF will have a database officer to document member factory conditions and maintain information on brands, an improved ability to document, archive and process information will be useful to them in their role as observers in the Accord steering committee. The project will also pay for NGWF, FTZ&GSEU or War on Want participation in key international & national campaigning events, trade union conferences and festivals and some War on Want costs for research on relevant issues and publication and dissemination in the UK.

Who will benefit? A potential 70,500 workers (about 60% of these will be women, with the majority in Bangladesh).

UK partner:	Dalit Solidarity Network
Country:	India
Project aim:	To combat the negative impacts of the textile supply and production chain on people particularly girls and young women in the mills of Tamil Nadu
Project length:	2 years
Amount:	£15,789

Problem? The original project had sufficient budget for consultation with 23 mills. The local partner felt the process was very valuable and asked for funding to meet the management of an additional 50 mills.

A storm in early 2015 damaged the roof of the tailoring and computer training unit. The computers in the unit were soaked and damaged as a result. This stopped the computer training programme.

Project? READ's director and the project manager will meet the management of each mill individually and also invite them to 2 workshops which will ensure they understand their legal obligations towards workers. There will also be follow up training. The aim is that each mill will then register their hostels, which opens them up to regular inspections.

Seven replacement computers and a UPS will be bought.

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UK partner:	Goodweave UK
Country:	Nepal and Afghanistan
Project aim:	To support families affected by the earthquake
Project length:	1 year
Amount:	£15,000

Problem? The earthquake which struck Nepal in April 2015 left thousands dead or injured and many more without shelter, food, water, and electricity.

Project? The grant has been given to help weaving families involved in the original project who were affected by the earthquake.

Who will benefit? Families which need support to continue their work in the weaving industry.

UK partner:	ChildHope
Country:	Bangladesh
Project aim:	To support the four centres established in 2013
Project length:	1 year
Amount:	£35,000

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? The four centres established over the last two years will continue to be supported.

Who will benefit? 89 children of 2-5 years; 132 street and working children of 6-16 years; over 200 mothers who can work without worrying about their children.

UK partner:	Pesticide Action Network UK
Country:	Benin
Project aim:	Establishing an organic seed bank in Benin
Project length:	1 year
Amount:	£20,000

Problem? Access to suitable cotton seed is becoming a major issue for organic growers: A recent report by textile exchange found that 90% of organic cotton farmers are finding it increasingly difficult to source organic seed. The massive growth in GM cotton (nearly 2/3 of all cotton grown is GM) has completely changed the seed supply industry. Seeds available to buy are not suitable for organic farmers as they are bred for producing high yields under high-input conditions: fertilizers, pesticides, and irrigation. Organic farmers want robust varieties which are resistant to or tolerant of pests and drought, and produce satisfying yields with moderate manure inputs.

Project? The project is highly collaborative and involves government, NGO and academic partners in identifying seed varieties which are suitable for OBEPAB's farmers' agro-ecological context, which are pest-resistant and which are sufficiently productive. A cooperative of 100 farmers will be set up to operate a community seed bank. These farmers will be trained and supported to produce the seeds.

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Who will benefit?

The beneficiaries will include not only participating farmers but the wider community of organic cotton producers, who are desperate for good quality, organic seed. All collaborating partners will also benefit from the opportunity to build capacity and experience in this area.

UK partner:	Pesticide Action Network UK
Country:	Benin
Project aim:	OBEFAB/MOBIOM farmer exchange
Project length:	2 weeks
Amount:	£20,171

Problem? There has been historical contact between the director of OBEFAB and other NGO directors involved in organic cotton farming but the farmers themselves have little opportunity to discuss methods and best practice with farmers in other parts of Benin let alone in other countries as the costs are prohibitive.

Project? This exchange aims to improve farming practices among OBEFAB farmers, and hopefully those in Mali too. Fourteen farmers, four field organisers, and two staff will fly to Mali and spend 4 days with MOBIOM farmers to discuss: internal control systems (used for organic certification); climate change adaptation; cooperative structures; organic seed production and management; women farmers' specific needs and experiences. The project also pays for two meetings, post-exchange, one in the northern region and one in the central region for the 'exchange' farmers to pass on what they learned to the other project farmers.

Who will benefit? Fourteen farmers in particular but potentially the 1,700 farmers that OBEFAB supports, possibly extending to the MOBIOM farmers.

Partner:	Faculty of Public Health, University of Abomey-Calavi, Cotonou
Country:	Benin
Project aim:	Research into pesticide poisoning surveillance
Project length:	1 year, 3 months
Amount:	£44,369

Problem? There is a shocking lack of statistical evidence regarding pesticide poisoning and even the data that does exist is not collated or presented properly meaning governments and individuals are not properly informed about the risks associated with their use.

Project? Though this research does not monitor poisoning it will expose the under-reporting of poisoning incidents and hopefully identify ways the surveillance could be improved so the government of Benin has more accurate data to inform policy.

Who will benefit? The government, people and environment of Benin if policy is informed as a result of the research. NGOs working on pesticide issues will have concrete data they can cite.

Birth certificates for children in the Nagorik children centres in Bangladesh

2015 TRAIID ran an appeal to get birth certificates for the children who attend the TRAIID funded ChildHope project. Retail and TRAIIDremade raised £1,795 allowing the centres to buy 119 birth certificates, with a surplus for buying certificates for new children. Birth certificates mean that children can get admission to schools and colleges, apply for passports, get their voter ID, access welfare schemes due to them such as below-poverty-line cards, ration cards,

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government health care provisions, bus passes and disability allowances. Birth certificates will also help prevent under-age marriages and child labour.

Financial Review

Bank balance

At the end of 2015 TRAIID's bank balance is £2,955,277. This sum covers:-
Six months operating costs at £2,306,264 as per TRAIID's reserves policy
Outstanding development funding commitments £303,508
Surplus made over budget £570,533

For the year end 31st December 2015, TRAIID had incoming resources of £5,182,519, 4.7% up on the previous year (2014: £4,945,851). Total resources expended were £4,995,976 (2014: £4,893,141).

At 31st December 2015 net assets amounted to £3,439,529 (2014: £3,252,986) of which other charitable funds totalled £2,765,964 (2014: £2,213,428) and designated funds totalled £673,565 (£1,039,558).

Plans for the future

Looking to 2016, TRAIID 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.

TRAIID will work to maintain its clothes recycling bank network, educational outreach and reuse and recycling through its network of TRAIID 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 2016, TRAIID will grant funding of £250,000 to development projects, continuing being focused on the impact of the textile supply chain on both people and the environment.

Principle Risks

Annually TRAIID reviews its risks, 2015 the following risks were identified:

- Councils and Local Authorities tendering out public clothing collections to the highest financial bidder, decreasing the quota of charity clothing banks in operation.
To mitigate this risk TRAIID has implemented more convenient methodologies for the public to recycle their clothing with the charity.
- The international second hand clothing market has many potential macro environment impacts, leading to charities not having an outlet for textile that has no market in the UK.
To mitigate this risk TRAIID implemented strategies that increased its ratio of textiles reused within its UK based charity shops.

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Volunteering contribution

Volunteers are welcome across all TRAIID functions. The charity however is not dependant on volunteers to perform roles for the organisation to meet its charitable objectives.

Reserves Policy

It is the policy of TRAIID 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 equating to £2,306,264, to ensure uninterrupted operations. During 2015 TRAIID's reserves policy was met.

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 TRAIID'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.

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:



Lekha Klouda
Chair of Trustees

Dated: 16 Sept 2016

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2015

The trustees, who are also the directors of Textile Reuse 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; 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 adequate 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 REUSE AND INTERNATIONAL DEVELOPMENT

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

We have audited the financial statements of Textile Reuse and International Development for the year ended 31 December 2015 set out on pages 13 to 26. 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), including Financial Reporting Standard 102.

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 auditor

As explained more fully in the statement of trustees' responsibilities set out on page 10, the trustees, who are also the directors of Textile Reuse and International Development 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' Annual 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 the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015 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 requirements of 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.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TEXTILE REUSE 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.

for and on behalf of H W Fisher & Company

Chartered Accountants

Statutory Auditor

Acre House

11-15 William Road

NW1 3ER

United Kingdom

20 September 2016

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

		Unrestricted funds general £	Unrestricted funds designated £	Total 2015 £	Total 2014 £
	Notes				
<u>Income and endowments from:</u>					
Incoming resources from charitable activities	3	5,159,339	-	5,159,339	4,919,106
Investments	4	23,180	-	23,180	22,893
Other income	5	-	-	-	3,852
Total income and endowments		5,182,519	-	5,182,519	4,945,851
<u>Expenditure on:</u>					
<u>Charitable activities</u>					
Diverting clothes and shoes from landfill	6	4,302,765	181,771	4,484,536	4,378,600
Education on environmental and poverty issues	6	69,855	151	70,006	85,674
Overseas development projects	6	30,726	410,708	441,434	428,867
Total charitable expenditure		4,403,346	592,630	4,995,976	4,893,141
Net incoming resources before transfers		779,173	(592,630)	186,543	52,710
Gross transfers between funds	11	(226,637)	226,637	-	-
Net income for the year/ Net movement in funds		552,536	(365,993)	186,543	52,710
Fund balances at 1 January 2015		2,213,428	1,039,558	3,252,986	3,200,276
Fund balances at 31 December 2015		2,765,964	673,565	3,439,529	3,252,986

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

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BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	12		455,125		569,041
Current assets					
Debtors falling due after one year	14	77,261		77,261	
Debtors falling due within one year	14	473,525		405,984	
Cash at bank and in hand		2,955,277		2,720,276	
		<u>3,506,063</u>		<u>3,203,521</u>	
Creditors: amounts falling due within one year	15	<u>(521,659)</u>		<u>(519,576)</u>	
Net current assets			2,984,404		2,683,945
Total assets less current liabilities			<u>3,439,529</u>		<u>3,252,986</u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds	17	673,565		1,039,558	
General unrestricted funds		<u>2,765,964</u>		<u>2,213,428</u>	
			3,439,529		3,252,986
			<u>3,439,529</u>		<u>3,252,986</u>

The accounts were approved by the Trustees on 16 Sept 2016

Lekha Klouda
Lekha Klouda
Trustee

Company Registration No. 2143753

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Cash flows from operating activities					
Cash generated from operations	20		279,901		154,590
Investing activities					
Purchase of tangible fixed assets		(68,080)		(136,185)	
Proceeds on disposal of tangible fixed assets		-		7,730	
Interest received		23,180		22,893	
Net cash used in investing activities			(44,900)		(105,562)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			235,001		49,028
Cash and cash equivalents at beginning of year			2,720,276		2,671,248
Cash and cash equivalents at end of year			2,955,277		2,720,276

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Textile Reuse and International Development is a private company limited by guarantee incorporated in England and Wales. The registered office is Second Floor, 51-53 High Road, London, N22 6BH.

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The company is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These accounts for the year ended 31 December 2015 are the first accounts of Textile Reuse and International Development prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees' continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds are unrestricted funds that have been set aside by the trustees for a specific purpose.

1.4 Incoming resources

All incoming resources are included in the statement of financial activities when the charity becomes entitled to the income and the amounts can be measured reliably.

Incoming resources from charitable activities (including the sale of recycled clothes and other income) are accounted for on a receivable basis.

Investment income (bank interest) is recognised on a receivable basis.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.5 Resources expended

Resources expended are recognised in the period to which they relate.

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

Support costs represent costs that cannot be directly attributed to activities. These costs have been allocated across the charitable activities on the basis of staff time.

Governance includes the costs of compliance with constitutional and statutory requirements and has been allocated across the charitable activities in the same proportions as staff costs.

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

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost less depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Containers	33.33% straight line
Fixtures, fittings & equipment	25% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Leases

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease. However, as permitted by FRS 102 section 35.10, lease incentives received (which relate to leases commencing before the 1 January 2014) are recognised on a straight line basis over the period to the first rent review date.

1.12 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 REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.13 Prepayments

Prepayments are valued at the amount including VAT and any trade discounts due.

2 Critical accounting estimates and judgements

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

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

3 Incoming resources from charitable activities

	Diverting clothes and shoes from landfill £	Education on environmental and poverty issues £	Total £	Total 2014 £
Retail sales	4,184,936	-	4,184,936	3,941,106
Wholesale sales	903,690	-	903,690	934,327
Other income	66,796	3,917	70,713	43,673
	<u>5,155,422</u>	<u>3,917</u>	<u>5,159,339</u>	<u>4,919,106</u>

4 Investments

	2015 £	2014 £
Interest receivable	<u>23,180</u>	<u>22,893</u>

5 Other income

	2015 £	2014 £
Net gain on disposal of tangible fixed assets	<u>-</u>	<u>3,852</u>

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

6 Charitable activities

	Diverting clothes and shoes from landfill	Education on environment al and poverty issues	Overseas development projects	Total 2015	Total 2014
	£	£	£	£	£
Staff costs	1,744,241	51,695	25,412	1,821,348	1,708,634
Depreciation and impairment	176,060	-	-	176,060	239,579
Carriage and freight	408,449	-	-	408,449	417,266
Rent	1,053,109	-	-	1,053,109	894,260
Other costs	184,398	8,451	543	193,392	889,096
Clothing costs	174,615	-	-	174,615	-
Rates	78,897	-	-	78,897	(2,492)
Light and heat	100,083	-	-	100,083	(1,650)
Consultancy	97,040	-	-	97,040	-
Repairs and maintenance	94,911	-	-	94,911	-
	<u>4,111,803</u>	<u>60,146</u>	<u>25,955</u>	<u>4,197,904</u>	<u>4,144,693</u>
Grant funding of activities (see note 7)	-	-	410,634	410,634	383,989
Share of support costs (see note 8)	362,824	9,598	4,716	377,138	354,609
Share of governance costs (see note 8)	9,909	262	129	10,300	9,850
	<u>4,484,536</u>	<u>70,006</u>	<u>441,434</u>	<u>4,995,976</u>	<u>4,893,141</u>
Analysis by fund					
Unrestricted funds - general	4,302,765	69,855	30,726	4,403,346	
Unrestricted funds - designated	181,771	151	410,708	592,630	
	<u>4,484,536</u>	<u>70,006</u>	<u>441,434</u>	<u>4,995,976</u>	
For the year ended 31 December 2014					
Unrestricted funds - general	4,132,492	85,439	44,743		4,262,674
Unrestricted funds - designated	246,108	235	384,124		630,467
	<u>4,378,600</u>	<u>85,674</u>	<u>428,867</u>		<u>4,893,141</u>

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

7 Grants payable

	2015 £	2014 £
Grants to institutions:		
Pan UK	89,621	133,592
Goodweave	10,000	45,000
War On Want	91,700	18,035
Labour Behind the Label	48,756	23,316
ChildHope	44,885	55,690
Dalit Solidarity Network UK	70,145	54,356
Foundation & Friends of RGB Kew	50,680	54,000
OBEFAB	20,171	-
ICT	(15,324)	-
	<u>410,634</u>	<u>383,989</u>

8 Support costs

	Support costs £	Governance costs £	2015 £	2014 £	Basis of allocation
Staff costs	218,409	-	218,409	210,405	
Depreciation	5,936	-	5,936	6,899	
Other costs	152,793	-	152,793	137,305	
Audit fees	-	10,300	10,300	9,850	Governance
	<u>377,138</u>	<u>10,300</u>	<u>387,438</u>	<u>364,459</u>	
Analysed between					
Charitable activities	<u>377,138</u>	<u>10,300</u>	<u>387,438</u>	<u>364,459</u>	

9 Trustees

None of the trustees received remuneration for their services during the year (2014: £nil).

None of the trustees were reimbursed for any expenses during the year (2014: £nil).

The charitable company did pay for trustees indemnity insurance during the year for the premium of £349 (2014: £1,146).

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

10 Employees

Number of employees

The average monthly number employees during the year was:

	2015 Number	2014 Number
Shops	60	57
Collecting, sorting and distribution	26	28
Education	2	2
Overseas development	1	1
Management and administration	4	4
Recycling	3	4
	<u>96</u>	<u>96</u>

Employment costs

	£	£
Wages and salaries	1,860,926	1,762,746
Social security costs	155,680	142,952
Other pension costs	23,151	13,341
	<u>2,039,757</u>	<u>1,919,039</u>

The charity's key management personnel comprises the Board of Trustees and the senior management team.

Included within the senior management team are the following:- Chief Executive, Finance Manager, Commercial Director, International Development Manager, Communications Manager, Education Manager, Logistics Manager.

Total benefits received by the senior management team in the year amounted to £308,827 (2014: £272,290). The trustees received no remuneration during the year (2014: none).

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

	2015 Number	2014 Number
£80,000 - £89,000	<u>1</u>	<u>1</u>

Contributions totalling £121 (2014: £5,117) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

11 Transfers

Funds have been transferred from unrestricted funds to designated funds to cover future grant funding intentions. It is anticipated that all amounts transferred to designated funds during the year will be paid out by 31 December 2017. Grant payments are dependent on the receipt of satisfactory progress reports from the funding recipients.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

12 Tangible fixed assets

	Containers	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2015	966,117	919,170	76,393	1,961,680
Additions	-	55,930	12,150	68,080
At 31 December 2015	966,117	975,100	88,543	2,029,760
Depreciation				
At 1 January 2015	809,544	543,742	39,353	1,392,639
Depreciation charged in the year	37,769	133,759	10,468	181,996
At 31 December 2015	847,313	677,501	49,821	1,574,635
Carrying amount				
At 31 December 2015	118,804	297,599	38,722	455,125
At 31 December 2014	156,573	375,428	37,040	569,041

13 Financial instruments

	2015	2014
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	137,320	143,634
Carrying amount of financial liabilities		
Measured at amortised cost	479,781	479,328

14 Debtors

	2015	2014
	£	£
Amounts falling due within one year:		
Trade debtors	56,422	37,736
Other debtors	106,495	123,670
Prepayments and accrued income	310,608	244,578
	473,525	405,984
Amounts falling due after one year:		
Other debtors	77,261	77,261
Total debtors	550,786	483,245

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

14 Debtors (Continued)

Included within other debtors is £77,261 (2014: £77,261) 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.

15 Creditors: amounts falling due within one year

	2015 £	2014 £
Other taxation and social security	41,878	40,248
Trade creditors	232,463	208,270
Accruals and deferred income	247,318	271,058
	<u>521,659</u>	<u>519,576</u>

16 Retirement benefit schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable by the company for the year ended 31 December 2015 were £23,151 (2014: £13,341)

17 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 2015 £	Movement in funds		Transfers £	Balance at 31 December 2015 £
		Incoming resources £	Resources expended £		
Pan UK	161,154	-	(89,621)	(4,963)	66,570
Fixed Asset Fund	569,041	-	(181,996)	68,080	455,125
International Childcare Trust	-	-	15,324	(15,324)	-
Goodweave	10,000	-	(10,000)	-	-
Labour Behind the Label	50,186	-	(48,756)	15,000	16,430
Dalit Solidarity Network UK	81,538	-	(70,145)	15,789	27,182
ChildHope	25,590	-	(44,885)	36,795	17,500
Foundation & Friends of RBG Kew	76,049	-	(50,680)	-	25,369
OBEPAB	-	-	(20,171)	20,171	-
War on Want	66,000	-	(91,700)	91,089	65,389
	<u>1,039,558</u>	<u>-</u>	<u>(592,630)</u>	<u>226,637</u>	<u>673,565</u>

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

17 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 2015.

International Childcare Trust

Over the years, Textile Reuse and International Development has supported ICT's 'Girls at Risk' project. This project has now ended with an under-spend of £15,324. This under-spend has been repaid by ICT.

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.

OBEPAB (Organisation Béninoise pour la Promotion de l'Agriculture Biologique)

Improving farming methods and eliminating pesticide use on small cotton farms to increase yields, reduce pesticide ill-health and improve the environment.

War on Want

Improving working conditions for Bangladeshi and Sri Lankan textile workers.

18 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Total £
Fund balances at 31 December 2015 are represented by:			
Tangible assets	-	455,125	455,125
Current assets/(liabilities)	2,765,964	218,440	2,984,404
	<u>2,765,964</u>	<u>673,565</u>	<u>3,439,529</u>

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

19 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015 £	2014 £
Within one year	1,096,895	1,113,822
Between two and five years	3,325,498	3,645,087
In over five years	3,782,938	4,480,679
	<u>8,205,331</u>	<u>9,239,588</u>

20 Cash generated from operations

	2015 £	2014 £
Surplus for the year	186,543	52,710
Adjustments for:		
Investment income recognised in profit or loss	(23,180)	(22,893)
Gain on disposal of tangible fixed assets	-	(3,852)
Depreciation and impairment of tangible fixed assets	181,996	246,478
Movements in working capital:		
(Increase) in debtors	(67,541)	(38,141)
Increase/(decrease) in creditors	2,083	(79,712)
Cash generated from operations	<u>279,901</u>	<u>154,590</u>

21 Related party transactions

There were no related party transactions in the year.