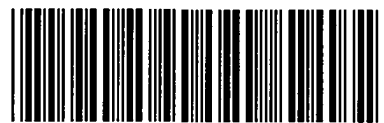


Charity Registration No. 297489

Company Registration No. 2143753 (England and Wales)

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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COMPANIES HOUSE

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

CONTENTS

	Page
Trustees' report	1 - 8
Statement of trustees' responsibilities	9
Independent auditor's report	10 - 11
Statement of financial activities	12
Balance sheet	13
Statement of cash flows	14
Notes to the accounts	15 - 26

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2016

The trustees present their report and accounts for the year ended 31 December 2016.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Companies Act 2006 and Accounting and Reporting by Charities: The Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the financial reporting standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

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 2016, 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.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2016

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 2016 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
Sergio DeSousa	Logistics Manager
Jose Baladron	Recycling Development Manager
Rodrigo Flores	Volunteer Recruitment 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.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2016

Grant Making Policy

TRAID makes grants to selected charity partners to deliver international development programmes. These grants meet the charity's objectives and funding criteria agreed with the Board.

In 2016, TRAIID's funding continued to be focused on combating the negative impacts of the textile supply and production chain on people/or the environment.

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.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2016

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 2016, TRAIID diverted **2,512 tonnes** of unwanted textile from the waste stream via its clothes recycling banks which in turn reduced CO2e emissions by **29,297 tonnes**. **84%** of all clothes donated to TRAIID 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 **993,000** garments, were sold through TRAIID'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 595,800** garments throughout the course of the year.

International Water savings - for every **1 tonne** of clothing displaced, **2,534** cubic meters of water is saved, therefore TRAIID's water saving for the year averaged **603,000** cubic meters.

Educating the public

TRAID achieved an educational outreach of **4,232** people of all ages delivering **170** educational activities. In addition, TRAIID's well-established school programme worked directly with **2,650** children of all ages running **78** activities focussed on reuse and sustainability across primary and secondary schools. In addition, **116** educators and teachers downloaded online educational resources produced by TRAIID for use in the classroom.

TRAID held its third **#SECONDHANDFIRST** campaign engaging the public with the social benefits of sustaining lifecycles of clothing through reuse. Surveyed participants highlighted that **95%** thought about the environmental impact of their clothing since taking the TRAIID pledge to increase second-hand consumption over new. The main reason for taking the pledge is to source more of their clothing in an environmentally friendly way; also featured was increased concerns of how our clothes are made. Since taking the pledge **87%** of those that took part in the survey have increased buying second-hand over new.

In 2016, TRAIID held three **#TRAIDtalks**; guest speakers included Janet Gunter, founder of the Restart Project, academic and researcher Bridget Harvey, and Make Do And Mend Life blogger Jen Gale. Julia Bennett, the Head of Research and Policy from the Crafts Council, gave a talk *Craft the Future*, on *Why Craft Education Matters* and Thulsi Narayanasamy from War on Want to talk on *'Have Trade Unions Gone out of Fashion?'* which explored declining numbers of union members in the UK comparing the growth of union membership in our partner countries.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2016

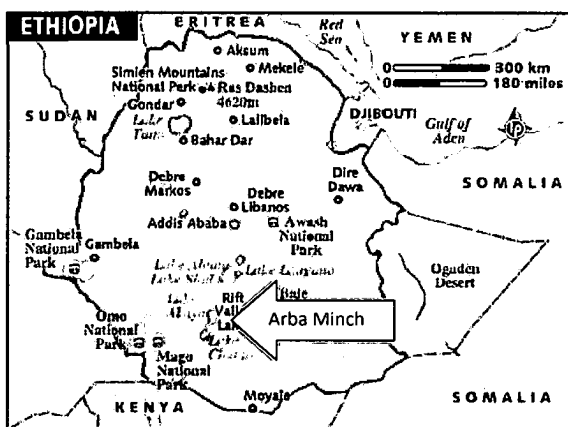
The relief of poverty

In 2016, a total of **£269,682** was committed to three International development programmes.

A further **£1,402** was raised through TRAIID shop counter donation boxes for Tamil Nadu workers in spinning mills.

2016 projects

UK partner:	Pesticide Action Network UK
Country:	Ethiopia
Project aim:	To develop training tools to support the expansion of sustainable cotton production
Project length:	1.5 years
Amount:	£110,000



The cotton growing sector is relatively large in Ethiopia, and demand by the West for an integrated textile industry is growing. The Ethiopian government also wants to expand the sector.

However, the growing of organic/other sustainable cotton is very limited. Demand for PAN Ethiopia IPM training was huge following TRAIID-funded project but the organisation has limited capacity. In the proposed project they want to train government extension workers (and others) to use a specially developed toolkit so that they become effective trainers and 'ambassadors' of sustainable cotton. As the last funded project used government extension workers and the NGO director is well-connected this does seem feasible. The project is highly participatory.

£60,000 of this project total is to continue supporting some of the 2,000 farmers who joined the previous cotton project in the final year. It will also bring over the OBEPAB director to give training on setting up Internal Control Systems which are needed to certify the cotton as organic.

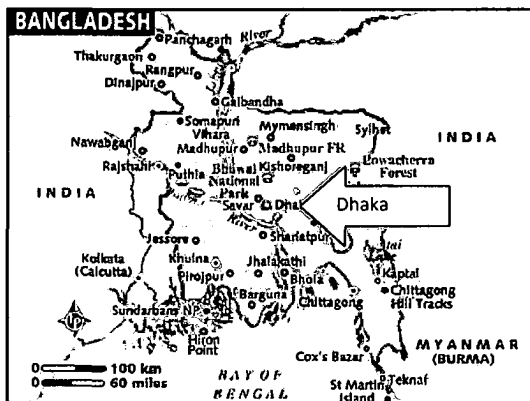
The project started on 1st December 2016

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2016

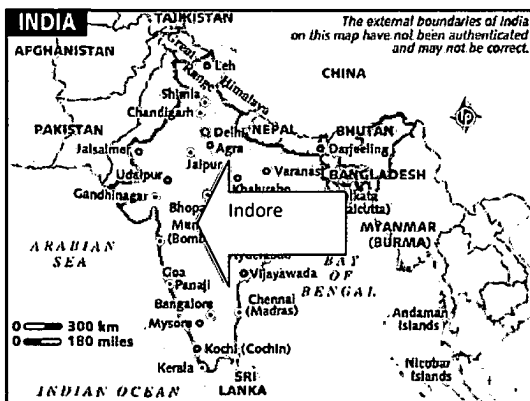
UK partner:	ChildHope
Country:	Bangladesh
Project aim:	To support the four centers established in 2013
Project length:	1 year
Amount:	£62,655



As with the current project, Dhaka's garment workers, especially single mothers, find it difficult to access or afford childcare meaning children are either left at home alone or on the street/working underage, sometimes in hazardous industries. The children's centres (4) are already in full swing from the last 2.5 years of funding. Of the 344 children who have attended the centres to date, 134 have entered/re-entered mainstream school, with a further 64 due to enrol in December.

The project started on 1st November 2016

UK partner:	Fairtrade Foundation
Country:	India
Project aim:	To breed non-GM cotton seeds
Project length:	3 years
Amount:	£97,027



TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2016

Monsanto controls over 95% of the cotton seed market in India meaning farmers are unable to source non-GM seeds at a reasonable price. Use of GM seeds mean farmers cannot access higher value Fairtrade customers (at least 10% on top of the price for conventional cotton). The lack of organic seed is a global issue.

The project will produce organic seed and distribute seed packets to a co-op of around 1500 farmers. Two industry events will publicise the project's challenges/findings etc.

The project will start on: 1st January 2017

Financial Review

Bank balance

At the end of 2016 TRAIID's bank balance is £3,140,201. This sum covers:-

- Six months operating costs at £2,334,998 as per TRAIID's reserves policy
- Outstanding development funding commitments £212,927
- Surplus made over budget £553,390

For the year end 31st December 2016, TRAIID had incoming resources of £5,197,633, 0.3% up on the previous year (2015: £5,182,519). Total resources expended were £4,959,609 (2015: £4,995,976).

At 31st December 2016 net assets amounted to £3,677,553 (2015: £3,439,529) of which other charitable funds totalled £3,030,519 (2015: £2,830,105) and designated funds totalled £647,034 (2015: £609,424).

Plans for the future

Looking to 2017, 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 2017, TRAIID will grant funding of £331,635 to development projects, continuing being focused on the impact of the textile supply chain on both people and the environment.

Principal Risks

TRAIID reviews its risks annually and in 2016 the following principal 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 continues to implement strategies that increase its ratio of textiles reused within its UK based charity shops.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2016

Volunteering contribution

Volunteers are welcome across all TRAIID functions. In 2016 TRAIID introduced the role of Volunteer Recruitment Manager giving focus on inclusive recruitment, training and retention. TRAIID increased the average number of days contributed per month by volunteers from 24 to 73, a 203% comparable increase.

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. The Board has decided that the Charity should maintain reserves at a level of six months operating costs equating to £2,334,998 to ensure uninterrupted operations. During 2016 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: 22 Sept 2017

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2016

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 2016 set out on pages 12 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 9, 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 2016 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, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Trustees' Report.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

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.

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

22

September 2017

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Unrestricted funds general £	Unrestricted funds designated £	Total 2016 £	Total 2015 (as restated) £
Income from:					
Incoming resources from charitable activities	3	5,176,499	-	5,176,499	5,159,339
Investments	4	21,134	-	21,134	23,180
Total income		5,197,633	-	5,197,633	5,182,519
Expenditure on:					
<u>Charitable activities</u>					
Diverting clothes and shoes from landfill	5	4,410,831	152,004	4,562,835	4,484,536
Education on environmental and poverty issues	5	70,817	340	71,157	70,006
Overseas development projects	5	37,644	287,973	325,617	441,434
Total charitable expenditure		4,519,292	440,317	4,959,609	4,995,976
Net incoming resources before transfers		678,341	(440,317)	238,024	186,543
Gross transfers between funds		(413,786)	413,786	-	-
Net income for the year/ Net movement in funds		264,555	(26,531)	238,024	186,543
Fund balances at 1 January 2016		2,765,964	673,565	3,439,529	3,252,986
Fund balances at 31 December 2016		3,030,519	647,034	3,677,553	3,439,529

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

BALANCE SHEET

AS AT 31 DECEMBER 2016

		2016		2015 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		531,134		455,125
Current assets					
Debtors falling due after one year	12	68,525		77,261	
Debtors falling due within one year	12	489,635		473,525	
Cash at bank and in hand		3,140,201		2,955,277	
		<u>3,698,361</u>		<u>3,506,063</u>	
Creditors: amounts falling due within one year	13	<u>(551,942)</u>		<u>(521,659)</u>	
Net current assets			3,146,419		2,984,404
Total assets less current liabilities			<u>3,677,553</u>		<u>3,439,529</u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds	15	647,034		609,424	
General unrestricted funds		<u>3,030,519</u>		<u>2,830,105</u>	
			<u>3,677,553</u>		<u>3,439,529</u>
			<u>3,677,553</u>		<u>3,439,529</u>

* The accounts were approved by the Trustees on 22 Sept 2017

* Lekha Klouda

Ms Lekha Klouda
Trustee

Company Registration No. 2143753

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	19		392,261		279,901
Investing activities					
Purchase of tangible fixed assets		(237,221)		(68,080)	
Loss on disposal of tangible fixed assets		8,750		-	
Interest received		21,134		23,180	
Net cash used in investing activities			(207,337)		(44,900)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			184,924		235,001
Cash and cash equivalents at beginning of year			2,955,277		2,720,276
Cash and cash equivalents at end of year			<u>3,140,201</u>		<u>2,955,277</u>

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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 under the historical cost convention. The principal accounting policies adopted are set out below.

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.

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.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

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.

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.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

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.

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.

Key sources of estimation uncertainty

Container valuation

As described in note 10, an impairment review was undertaken in respect of the charity's clothing containers. As a result, the containers were impaired down to their residual value. This value had to be estimated based on average market data. Further details are given in note 10.

Accruals

Included within accruals is an amount due to Waltham Forest Council. The accrual is for amounts that are due to the council for the collection of clothes (by the charity) from banks located within the borough. The estimated value was calculated based on tonnage collected from the banks using average price for clothes bank materials.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

3 Incoming resources from charitable activities

	Diverting clothes and shoes from landfill £	Education on environmental and poverty issues £	Total £	Total 2015 £
Retail sales	4,388,985	-	4,388,985	4,184,936
Wholesale sales	734,790	-	734,790	903,690
Other income	48,516	4,208	52,724	70,713
	<u>5,172,291</u>	<u>4,208</u>	<u>5,176,499</u>	<u>5,159,339</u>

4 Investments

	2016 £	2015 £
Interest receivable	<u>21,134</u>	<u>23,180</u>

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

5 Charitable activities

	Diverting clothes and shoes from landfill	Education on environmental and poverty issues	Overseas development projects	Total 2016	Total 2015
	£	£	£	£	£
Staff costs	1,790,751	55,146	19,129	1,865,026	1,821,348
Depreciation and impairment	139,954	-	-	139,954	176,060
Carriage and freight	294,496	-	-	294,496	408,449
Rent	1,085,069	-	-	1,085,069	1,053,109
Other costs	202,125	4,664	14,697	221,486	193,392
Clothing costs	253,134	-	-	253,134	174,615
Rates	100,179	-	-	100,179	78,897
Light and heat	86,492	-	-	86,492	100,083
Consultancy	76,455	-	-	76,455	97,040
Repairs and maintenance	131,805	-	-	131,805	94,911
	<u>4,160,460</u>	<u>59,810</u>	<u>33,826</u>	<u>4,254,096</u>	<u>4,197,904</u>
Grant funding of activities (see note 6)	-	-	287,855	287,855	410,634
Share of support costs (see note 7)	389,359	10,980	3,809	404,148	377,138
Share of governance costs (see note 7)	13,016	367	127	13,510	10,300
	<u>4,562,835</u>	<u>71,157</u>	<u>325,617</u>	<u>4,959,609</u>	<u>4,995,976</u>
Analysis by fund					
Unrestricted funds - general	4,410,831	70,817	37,644	4,519,292	
Unrestricted funds - designated	152,004	340	287,973	440,317	
	<u>4,562,835</u>	<u>71,157</u>	<u>325,617</u>	<u>4,959,609</u>	
For the year ended 31 December 2015					
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>

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

6 Grants payable

	2016 £	2015 £
Grants to institutions:		
Pan UK	102,036	89,621
Goodweave	15,000	10,000
War On Want	85,514	91,700
Labour Behind the Label	16,430	48,756
ChildHope	50,455	44,885
Dalit Solidarity Network UK	27,182	70,145
Foundation & Friends of RGB Kew	(49,992)	50,680
University of Abomey-Calavi, Benin	41,230	20,171
ICT	-	(15,324)
	<u>287,855</u>	<u>410,634</u>

7 Support costs

	Support costs £	Governance costs £	2016 £	2015 £	Basis of allocation
Staff costs	223,457	-	223,457	218,409	
Depreciation	12,508	-	12,508	5,936	
Other costs	168,183	-	168,183	152,793	
Audit fees	-	13,510	13,510	10,300	Governance
	<u>404,148</u>	<u>13,510</u>	<u>417,658</u>	<u>387,438</u>	
Analysed between					
Charitable activities	<u>404,148</u>	<u>13,510</u>	<u>417,658</u>	<u>387,438</u>	

Governance costs includes payments to the auditors of £11,500 (2015- £10,300) for audit fees, with the balancing figure of £2,010 relating to the under accrual of prior years' audit fees.

8 Trustees

None of the trustees received remuneration for their services during the year (2015: £nil).

None of the trustees were reimbursed for any expenses during the year (2015: £nil).

The charitable company did pay for trustees indemnity insurance during the year for the premium of £384 (2015: £349).

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

9 Employees

Number of employees

The average monthly number employees during the year was:

	2016 Number	2015 Number
Shops	63	60
Collecting, sorting and distribution	30	26
Education	2	2
Overseas development	1	1
Management and administration	4	4
Recycling	3	3
	<u>103</u>	<u>96</u>

Employment costs

	2016 £	2015 £
Wages and salaries	1,872,029	1,860,926
Social security costs	158,219	155,680
Other pension costs	58,235	23,151
	<u>2,088,483</u>	<u>2,039,757</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, Recycling Development Manager, Volunteer Recruitment Manager.

Total benefits received by the senior management team in the year amounted to £366,519 (2015: £308,827). The trustees received no remuneration during the year (2015: nil).

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

	2016 Number	2015 Number
£80,000 - £89,000	-	1
£90,000 - £99,000	<u>1</u>	<u>-</u>

Contributions totalling £13,320 (2015: £121) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

10 Tangible fixed assets

	Containers	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2016	966,117	975,100	88,543	2,029,760
Additions	-	98,658	138,563	237,221
Disposals	-	-	(10,500)	(10,500)
At 31 December 2016	966,117	1,073,758	216,606	2,256,481
Depreciation				
At 1 January 2016	847,313	677,501	49,821	1,574,635
Depreciation charged in the year	6,527	135,911	10,024	152,462
Eliminated in respect of disposals	-	-	(1,750)	(1,750)
At 31 December 2016	853,840	813,412	58,095	1,725,347
Carrying amount				
At 31 December 2016	112,277	260,346	158,511	531,134
At 31 December 2015	118,804	297,599	38,722	455,125

As at 31 December 2016 the fixed asset register maintained by TRAIID for the containers asset category is not reconciled to the balances recorded in this note. The difference of £64,141 net book value is currently under investigation and may lead to adjustments in the 2017 accounts.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

11	Financial instruments	2016	2015
		£	£
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	112,036	137,320
		<u></u>	<u></u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	502,451	479,781
		<u></u>	<u></u>
12	Debtors	2016	2015
		£	£
	Amounts falling due within one year:		
	Trade debtors	39,874	56,422
	Other debtors	135,361	106,495
	Prepayments and accrued income	314,400	310,608
		<u></u>	<u></u>
		489,635	473,525
		<u></u>	<u></u>
	Amounts falling due after more than one year:		
	Other debtors	68,525	77,261
		<u></u>	<u></u>
	Total debtors	558,160	550,786
		<u></u>	<u></u>
Included within other debtors is £68,525 (2015: £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.			
13	Creditors: amounts falling due within one year	2016	2015
		£	£
	Other taxation and social security	49,491	41,878
	Trade creditors	235,290	232,463
	Accruals and deferred income	267,161	247,318
		<u></u>	<u></u>
		551,942	521,659
		<u></u>	<u></u>

14 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 2016 were £58,235 (2015: £23,151)

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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 2016	Movement in funds		Transfers	Balance at 31 December 2016
	£	Incoming resources £	Resources expended £	£	£
Pan UK	66,570	-	(102,036)	111,366	75,900
Fixed Asset Fund	455,125	-	(152,462)	228,471	531,134
University of Abomey-Calavi, Benin	-	-	(41,230)	51,230	10,000
Goodweave	-	-	(15,000)	15,000	-
Labour Behind the Label	16,430	-	(16,430)	-	-
Dalit Solidarity Network UK	27,182	-	(27,182)	-	-
ChildHope	17,500	-	(50,455)	62,955	30,000
Foundation & Friends of RBG Kew	25,369	-	49,992	(75,361)	-
War on Want	65,389	-	(85,514)	20,125	-
	<u>673,565</u>	<u>-</u>	<u>(440,317)</u>	<u>413,786</u>	<u>647,034</u>

Pan UK

Reducing or stopping the use of synthetic fertilisers and pesticides, and improving farming methods in cotton farming in Benin and Ethiopia. As a result yields will be improved, pesticide poisoning will be stopped and environmental degradation reversed.

Fixed Asset Fund

This represents the net book value of the fixed assets at 31 December 2016.

Goodweave

A one-off grant made to restore the lives of carpet and rug weavers following the 2015 earthquake in Nepal.

University of Abomey-Calavi, Benin – Pesticide Research

Research to determine the extent of under reporting of acute pesticide poisoning among cotton farmers in Benin.

Labour Behind the Label

The project will train Cambodian union leaders in labour law and advocacy. Workers and union leaders will be given paralegal support in cases of labour law violations, and trained to generate photo and video footage to lobby brands and for submitting evidenced complaints to labour bodies.

Dalit Solidarity Network UK

The project will work reduce uninformed employment of girls/young women to spinning mills in India under the Sumangali Thittam scheme, and improve working conditions for those who are recruited, supporting 5 mills to become 'model' mills. The most vulnerable girls will be rescued and given alternative employment or reintegrated in to the school system.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

15 Designated funds

ChildHope

Four centres will be established for children of garment workers in Bangladesh who would otherwise be on the streets, left home alone or working in unsafe conditions: children of 2-5 years will be prepared for government primary schools; children of 6-16 years will receive non-formal remedial education and life-skills training.

Foundation & Friends of RBG Kew

Malian farmers will be trained in how to grow their own pesticidal plants and/or have access to ones grown in their village, and to use optimal quantities of the bio-pesticides to grow healthy cotton plants. The negative expenditure balance of £49,992 represents funds returned to TRAIID in the year in respect of a project the charity was funding that was cancelled.

War on Want

Research will be undertaken in three Chinese 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.

16 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Total £
Fund balances at 31 December 2016 are represented by:			
Tangible assets	-	531,134	531,134
Current assets/(liabilities)	3,030,519	115,900	3,146,419
	<u>3,030,519</u>	<u>647,034</u>	<u>3,677,553</u>

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

17 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:

	2016 £	2015 £
Within one year	1,074,331	1,096,895
Between two and five years	2,987,604	3,325,498
In over five years	3,197,000	3,782,938
	<u>7,258,935</u>	<u>8,205,331</u>

19 Cash generated from operations

	2016 £	2015 £
Surplus for the year	238,024	186,543
Adjustments for:		
Investment income recognised in profit or loss	(21,134)	(23,180)
Depreciation and impairment of tangible fixed assets	152,462	181,996
Movements in working capital:		
(Increase) in debtors	(7,374)	(67,541)
Increase in creditors	30,283	2,083
Cash generated from operations	<u>392,261</u>	<u>279,901</u>

20 Related party transactions

There were no related party transactions in the year.