

REGISTRAR'S COPY:
Please return to H.W. Fisher & Co.

Charity Registration No. 297489

Company Registration No. 2143753 (England and Wales)

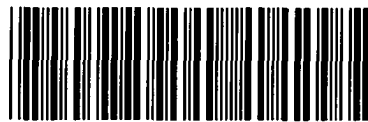


REA V ENTHUSIASM ENERGY VISION

www.hwfisher.co.uk

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

FRIDAY



L7FEWQQY

L41

28/09/2018

#334

COMPANIES HOUSE

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms Lekha Klouda	
	Mr Ian Hagg	
	Mr David Williams	
	Mr Stephen Robertson	
	Mr Andy Rutherford	
	Miss Melinda Arin Bharti	(Appointed 9 July 2018)
	Ms Anna Katharine Lovell	(Appointed 6 June 2018)
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 - 7
Statement of trustees' responsibilities	8
Independent auditor's report	9 - 10
Statement of financial activities	11
Balance sheet	12
Statement of cash flows	13
Notes to the financial statements	14 - 25

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2017

The trustees present their report and financial statements for the year ended 31 December 2017.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Companies Act 2006 and Accounting and Reporting by Charities: The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (as amended for accounting period commencing from 1 January 2016).

Structure, Governance and Management

Objectives and Activities

TRAID (Textile Reuse and International Development) 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.

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:

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 methods of clothing disposal facilities including a nationwide network of clothes recycling banks, a regional free home collection service and London based charity shops.

Clothes are collected and sorted for resale in TRAID charity shops, remaining textile is sold 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 development programmes that 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.

The Trustees

The Directors of TRAID 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 2017, were as follows:

Ms Lekha Klouda (Serving Chair)
Mr Ian Hagg
Mr David Williams
Mr Neil Carrett (resigned 7th August 2017)
Mr Stephen Robertson
Mr Andy Rutherford
Ms Mary McWarren (resigned 28th February 2018)
Ms Melinda Bharti (appointed 9th July 2018)
Ms Anna Katharine Lovell (appointed 6th June 2018)

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.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2017

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 TRAID'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.

Trustee Induction

Trustees are inducted into the organisation through meeting personnel and access to documentation. Newly 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 TRAID's financial statements, finances, management reports, strategies and organisational performance.

Senior Management

The Senior Management Team who served during 2017 was as follows:

Maria Chenoweth	Chief Executive
Umashish Panda	Finance Manager
Enedina Columbano	Commercial Director
Angela Russ	International Development Manager
Leigh McAlea	Communications Manager
Andrea Speranza	Campaign Manager
Lyla Patel	Education Manager
Roberto Clemente	Logistics and Operations 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, the Senior Management Team led by the Chief Executive, are responsible for meeting the aims and objectives of the charity.

The Board of Trustees establish appropriate reporting mechanisms to ensure that Senior Management operate within the scope of its delegated powers and to the charity's benefit. These mechanisms include annual budgets that are approved by the Board, annual aims and objectives, quarterly reports that review the charity's progress, monthly management accounts, audited financial statements, risk register, end of year report and annual CEO appraisal.

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

Remuneration

TRAID'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.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2017

Risk Management

The Board of Trustees have 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. The trustees and management team have identified and are managing both internal and external risk, through systems, control processes and strategic planning.

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 risk.

- **Principal Risks**

TRAID reviews its risks annually and in 2017 the following principal risks were identified:

- Decreased available recycling sites due to Councils and Local Authorities tendering out public clothing collections.
- Decreased recycling sites, due to the cost to local authorities of fly tipping around recycling areas
- Increased expenditure being driven by high increased rents from landlords.
- Change in market conditions relating to warehousing versus space for new housing developments.

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 2017, TRAIID's funding continued to focus on combating the negative impacts of the international apparel sector, supporting projects that have had positive environmental and human benefit.

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.

Achievements and performance

Protecting the Environment

In 2017, TRAIID diverted 2,445 tons of the UK's unwanted clothing from the waste stream, through offering the public clothing disposal solutions.

Throughout the year 934,000 garments, were sold through TRAIID 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 TRAIID displaced 560,400 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 545,605 cubic meters.

Educating the public

2017, TRAIID achieved an educational outreach of 3,680 people through delivering 170 educational and workshop activities. TRAIID's well-established school programme worked directly with 1,087 primary and secondary school children delivering 23 activities focusing on clothing reuse and sustainability. TRAIID continued to promote its environmental objective thorough running information stalls and events, supporting local authorities in encourage its residents to increase their recycling and reuse rates and working with educational institutes and universities.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

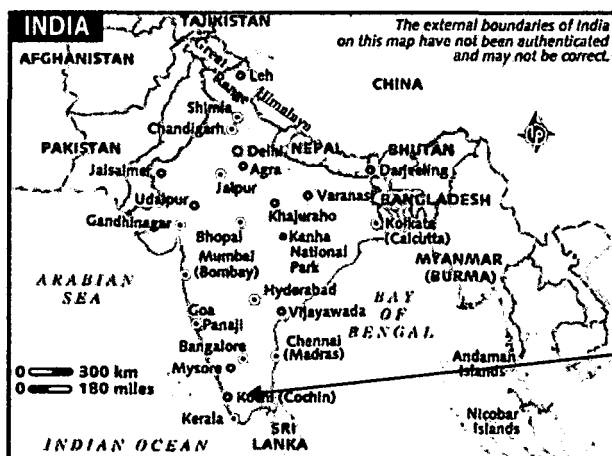
FOR THE YEAR ENDED 31 DECEMBER 2017

The relief of poverty

In 2017, a total of £331,635 was designated for use in three International development programmes.

2017 projects

UK partner:	READ and Arogya Agam
Country:	India
Project aim:	To improve conditions in spinning mills for girls recruited under the Sumangali Thittam scheme
Project length:	3 years
Amount:	£162,427



Tamil Nadu

This project focuses on girls and young women working under the Sumangali Thittam scheme in Tamil Nadu, India. 'Sumangali Thittam' or 'Marriage Scheme' whereby workers are recruited with the promise that they will receive a considerable amount of money after completion of three to five years of employment. The 2013 TRAID funded project that raised awareness among local families of the reality of the scheme ended in October 2016. This project builds on the previous work with a focus on migrant workers and girls under fourteen years, and a stronger emphasis on publicizing the issue with extensive use of the media. There has already been press coverage of girl rescues, mill accidents and a public interest litigation filed by READ's director.

- <https://www.reuters.com/article/us-india-textiles-labour/mill-worker-deaths-fuels-employment-concerns-in-india-garment-sector-idUSKBN1EL0K7>
- <http://www.thehindu.com/news/national/tamil-nadu/sexual-harassment-collectors-told-to-file-report-on-panels/article19994403.ece>

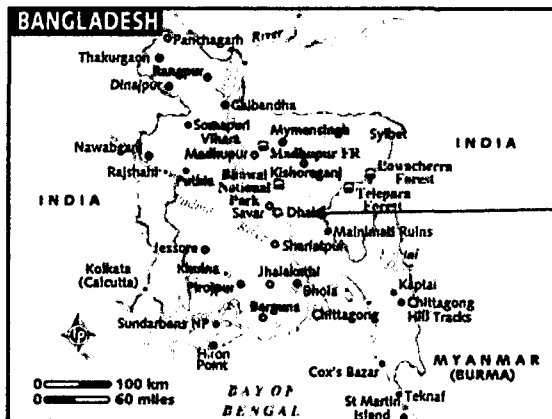
READ will receive support from Arogya Agam, who will undertake monitoring visits and report to TRAID.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2017

UK partner:	ChildHope UK and Nagorik Uddyog
Country:	Bangladesh
Project aim:	To support the four centres established in 2013
Project length:	2 years
Amount:	£129,208

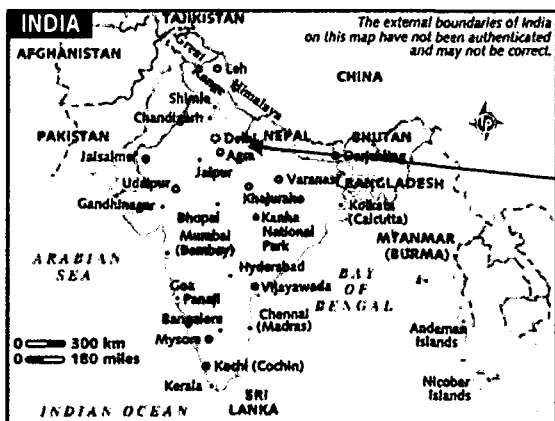


Dhaka

This is a continuation of a project funded since 2013, where funding supports four centers, two for nursery age children, and two for children of six-sixteen years. Children are given a safe, clean and stimulating environment, and support starting or returning to school. The project has also paid for over 150 birth certificates which allow children to register for state education, healthcare and provide a useful proof of age to avoid underage marriage/work.

The current project is largely the same but with a few additional activities which aim to raise awareness among target communities of how to better protect children, access government services, and advocate for their rights.

UK partner:	GoodWeave UK and Goodweave India
Country:	India
Project aim:	To engage UK Brands to End Child Labour and Forced Labour in Textile Supply Chains
Project length:	2 years
Amount:	£40,000



Uttar Pradesh

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2017

In 2012 TRAIID funded Goodweave to implement a project aiming to rid the carpet and rug industry of child labour. This year's project will replicate the same successful model but with the embellishment stage of garment production. In India, garment factories sub-contract embellishment - attaching sequins and beads, embroidery - to agents who pass on the work to 'homeworkers'. Homeworkers, by the very nature of their working at home, are disadvantaged as their working pay and conditions are 'invisible'. Though there is increasing attention on workers' rights in the textile industry, most is given to employees of garment factories, by contrast, homeworkers are forgotten. As a result, their salaries follow no industry norms, there are high levels of child and forced labour and homeworkers suffer poor working conditions.

Goodweave aims to engage three UK brands to open-up their supply chains and commit to source from the same suppliers for two or more years so that they have time to improve their practices. TRAIID's grant is contributing to the salary of a UK business manager who will work with the three brands.

Financial Review

Bank balance

At the end of 2017 TRAIID's bank balance is £3,839,107. This sum covers:-
Six months operating costs at £2,398,507 as per TRAIID's reserves policy
Outstanding development funding commitments £337,205
Surplus made over budget £756,190

For the year end 31st December 2017, TRAIID had incoming resources of £5,574,072, 7.2% up on the previous year (2016: £5,197,633). Total resources expended were £4,881,871 (2016: £4,953,082).

At 31st December 2017 net assets amounted to £4,257,477 (2016: £3,565,276) of which other charitable funds totalled £3,473,093 (2016: £3,030,519) and designated funds totalled £784,384 (2016: £543,757).

Plans for the future

Looking to 2018, 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 offer ease and innovation for the UK to responsibly dispose of its clothes, educational outreach will continue to address change in environmental and social behavior, and TRAIID shops will continue to promote real sustainability through increasing sales of second-hand clothes.

The charity will continue to focus its international development funding on projects related to reducing human exploitation and environmental damage within the apparel industry.

Volunteering contribution

Volunteers are welcome across all TRAIID departments. In 2017 TRAIID supported 296 volunteers who contributed 12,131 hours to its charitable work.

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 £2,398,507 to ensure uninterrupted operations. In addition to operating costs, TRAIID has also factored into its reserves £1,000,000 additional finances for its future warehousing needs, where there is potential that TRAIID will need to reevaluate its current location and changes within the rental market. Therefore, the charity's overall reserves requirement is £3,298,507. During 2017 TRAIID's reserves policy was met.

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

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2017

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.

Auditor

H W Fisher & Company were appointed auditors to the company. 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



Lekha Klouda
Chair of Trustees

Dated:

26 Sept 2018

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2017

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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements, 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity 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

Opinion

We have audited the financial statements of Textile Reuse and International Development (the 'charity') for the year ended 31 December 2017 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2017 and of its incoming resources and application of resources, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters 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 trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

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

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 material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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 financial statements 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

27 September 2018

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Unrestricted funds general £	Unrestricted funds designated £	Total 2017 £	Total 2016 as restated £
<u>Income and endowments from:</u>					
Incoming resources from charitable activities	3	5,559,502	-	5,559,502	5,176,499
Investments	4	11,951	-	11,951	21,134
Other income	5	2,619	-	2,619	-
Total income and endowments		5,574,072	-	5,574,072	5,197,633
<u>Expenditure on:</u>					
<u>Charitable activities</u>					
Diverting clothes and shoes from landfill	6	4,428,483	160,433	4,588,916	4,556,308
Education on environmental and poverty issues	6	65,928	480	66,408	71,157
Overseas development projects	6	22,840	203,707	226,547	325,617
Total charitable expenditure		4,517,251	364,620	4,881,871	4,953,082
Net incoming resources before transfers		1,056,821	(364,620)	692,201	244,551
Gross transfers between funds		(614,247)	614,247	-	-
Net income for the year/ Net movement in funds		442,574	249,627	692,201	244,551
Fund balances at 1 January 2017					
As originally reported		3,030,519	647,034	3,677,553	3,439,529
Prior year adjustment		-	(112,277)	(112,277)	(118,804)
As restated		3,030,519	534,757	3,565,276	3,320,725
Fund balances at 31 December 2017		3,473,093	784,384	4,257,477	3,565,276

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 2017

		2017		2016 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		447,179		418,857
Current assets					
Debtors falling due after one year	14	68,525		68,525	
Debtors falling due within one year	14	398,007		489,635	
Cash at bank and in hand		3,839,107		3,140,201	
		<u>4,305,639</u>		<u>3,698,361</u>	
Creditors: amounts falling due within one year	15	<u>(495,341)</u>		<u>(551,942)</u>	
Net current assets			3,810,298		3,146,419
Total assets less current liabilities			<u><u>4,257,477</u></u>		<u><u>3,565,276</u></u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds	17	784,384		534,757	
General unrestricted funds		<u>3,473,093</u>		<u>3,030,519</u>	
			4,257,477		3,565,276
			<u><u>4,257,477</u></u>		<u><u>3,565,276</u></u>

The accounts were approved by the Trustees on 26 Sept 2018

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 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	21		873,742		392,261
Investing activities					
Purchase of tangible fixed assets		(189,406)		(237,221)	
Proceeds of disposal of tangible fixed assets		2,619		8,750	
Interest received		11,951		21,134	
Net cash used in investing activities			(174,836)		(207,337)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			698,906		184,924
Cash and cash equivalents at beginning of year			3,140,201		2,955,277
Cash and cash equivalents at end of year			<u>3,839,107</u>		<u>3,140,201</u>

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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

The financial statements have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. 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 financial statements, the trustees have a reasonable expectation that the charity 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 financial statements.

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 2017

1 Accounting policies

(Continued)

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 charity reviews the carrying amounts of its tangible 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).

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.

1.9 Financial instruments

The charity 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 charity's balance sheet when the charity 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 2017

1 Accounting policies

(Continued)

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 rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity'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 charity'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.

Accruals

Included within accruals is an amount due to Waltham Forest Council of £185,151. 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 2017

3 Incoming resources from charitable activities

	Diverting clothes and shoes from landfill £	Education on environmental and poverty issues £	Total £	Total 2016 £
Retail sales	4,768,748	-	4,768,748	4,388,985
Wholesale sales	688,128	-	688,128	734,790
Other income	98,075	4,551	102,626	52,724
	<u>5,554,951</u>	<u>4,551</u>	<u>5,559,502</u>	<u>5,176,499</u>

4 Investments

	2017 £	2016 £
Interest receivable	<u>11,951</u>	<u>21,134</u>

5 Other income

	2017 £	2016 £
Net gain on disposal of tangible fixed assets	<u>2,619</u>	<u>-</u>

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

6 Charitable activities

	Diverting clothes and shoes from landfill	Education on environment al and poverty issues	Overseas development projects	Total 2017	Total 2016
	£	£	£	£	£
Staff costs	2,036,745	55,546	19,776	2,112,067	1,865,026
Depreciation and impairment	140,962	-	-	140,962	133,427
Carriage and freight	12,171	-	-	12,171	294,496
Rent	1,106,190	-	-	1,106,190	1,085,069
Other costs	264,167	2,556	272	266,995	221,486
Clothing costs	256,517	-	-	256,517	253,134
Rates	100,694	-	-	100,694	100,179
Light and heat	117,918	-	-	117,918	86,492
Consultancy	80,305	-	-	80,305	76,455
Repairs and maintenance	135,689	-	-	135,689	131,805
	<u>4,251,358</u>	<u>58,102</u>	<u>20,048</u>	<u>4,329,508</u>	<u>4,247,569</u>
Grant funding of activities (see note 7)	-	-	203,536	203,536	287,855
Share of support costs (see note 8)	325,027	7,997	2,853	335,877	404,148
Share of governance costs (see note 8)	12,531	309	110	12,950	13,510
	<u>4,588,916</u>	<u>66,408</u>	<u>226,547</u>	<u>4,881,871</u>	<u>4,953,082</u>
Analysis by fund					
Unrestricted funds - general	4,428,483	65,928	22,840	4,517,251	
Unrestricted funds - designated	160,433	480	203,707	364,620	
	<u>4,588,916</u>	<u>66,408</u>	<u>226,547</u>	<u>4,881,871</u>	
For the year ended 31 December 2016					
Unrestricted funds - general	4,410,831	70,817	37,644		4,519,292
Unrestricted funds - designated	145,477	340	287,973		433,790
	<u>4,556,308</u>	<u>71,157</u>	<u>325,617</u>		<u>4,953,082</u>

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

7 Grants payable

	2017 £	2016 £
Grants to institutions:		
Pan UK	77,321	102,036
Goodweave	10,000	15,000
ChildHope	61,877	50,455
Dalit Solidarity Network UK	(6,644)	27,182
Rights Education and Development Centre	1,402	-
Arogya Agam	5,000	-
READ	24,404	-
Fairtrade	30,176	-
War on Want	-	85,514
Labour Behind the Label	-	16,430
University of Abomey-Calavi, Benin	-	41,230
Foundation & Friends of RGB Kew	-	(49,992)
	<u>203,536</u>	<u>287,855</u>

8 Support costs

	Support costs £	Governance costs £	2017 £	2016 £
Staff costs	230,406	-	230,406	223,457
Depreciation	20,122	-	20,122	12,508
Other costs	85,349	-	85,349	168,183
Audit fees	-	12,950	12,950	13,510
	<u>335,877</u>	<u>12,950</u>	<u>348,827</u>	<u>417,658</u>
Analysed between Charitable activities	<u>335,877</u>	<u>12,950</u>	<u>348,827</u>	<u>417,658</u>

9 Trustees

None of the trustees received remuneration for their services during the year (2016: £nil).

None of the trustees were reimbursed for any expenses during the year (2016: £nil).

The charitable company did pay for trustees indemnity insurance during the year for the premium of £391 (2016: £384).

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

10 Employees

Number of employees

The average monthly number employees during the year was:

	2017 Number	2016 Number
Shops	63	63
Collecting, sorting and distribution	32	30
Education	2	2
Overseas development	1	1
Management and administration	4	4
Recycling	3	3
	<u>105</u>	<u>103</u>

Employment costs

	2017 £	2016 £
Wages and salaries	2,129,580	1,872,029
Social security costs	184,647	158,219
Other pension costs	28,246	58,235
	<u>2,342,473</u>	<u>2,088,483</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 £412,027 (2016: £366,519). The trustees received no remuneration during the year (2016: nil).

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

	2017 Number	2016 Number
£90,000 - £99,000	<u>1</u>	<u>1</u>

Contributions totalling £5,635 (2016: £13,320) 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 2017

11 Tangible fixed assets

	Containers	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost	as restated			
At 1 January 2017	966,117	1,073,758	216,606	2,256,481
Additions	-	171,043	18,363	189,406
At 31 December 2017	966,117	1,244,801	234,969	2,445,887
Depreciation				
At 1 January 2017	966,117	813,412	58,095	1,837,624
Depreciation charged in the year	-	120,304	40,780	161,084
At 31 December 2017	966,117	933,716	98,875	1,998,708
Carrying amount				
At 31 December 2017	-	311,085	136,094	447,179
At 31 December 2016	-	260,346	158,511	418,857

12 Prior year adjustment

A prior year adjustment has been made to correct a historical error that has arisen from under depreciation of the charity's clothes banks ("containers") in the past. The 2016 accounts showed these containers to have a net book value of £112,277 at 31 December 2016 however, this given the length of time the charity had owned the containers, they should have been recorded in the accounts as fully depreciated (with a net book value of £nil) by this date. A prior year adjustment of £112,277 has therefore been made to fixed assets to reduce the net book value of the containers to £nil and to designated reserves brought forward at 1 January 2017. The adjustment has been made to designated reserves as the charity holds the net book value of their fixed assets in a designated fund.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

13 Financial instruments	2017	2016
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	93,428	112,036
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	446,193	502,451
	<u> </u>	<u> </u>

14 Debtors	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	21,166	39,874
Other debtors	74,847	135,361
Prepayments and accrued income	301,994	314,400
	<u> </u>	<u> </u>
	398,007	489,635
	<u> </u>	<u> </u>

	2017	2016
	£	£
Amounts falling due after more than one year:		
Other debtors	68,525	68,525
	<u> </u>	<u> </u>
Total debtors	466,532	558,160
	<u> </u>	<u> </u>

Included within other debtors is £68,525 (2016: £68,525) 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	2017	2016
	£	£
Other taxation and social security	49,148	49,491
Trade creditors	167,560	235,290
Accruals and deferred income	278,633	267,161
	<u> </u>	<u> </u>
	495,341	551,942
	<u> </u>	<u> </u>

16 Retirement benefit schemes

Defined contribution 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 2017 were £28,246 (2016: £58,235)

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

17 Designated funds

The income funds of the charity include the following designated funds. Designated funds represent the net book value of fixed assets at 31 December 2017 and also amounts which have been set aside out of unrestricted funds by the trustees to support international development projects.

The balance on each designated fund relating to international development projects at 31 December 2017 represents the amount that TRAIID expects to contribute to the various projects over the coming years. It is expected that all designated funds will be paid within the coming 1-3 years.

	Balance at 1 January 2017 £ as restated	Movement in funds		Transfers £	Balance at 31 December 2017 £
		Incoming resources £	Resources expended £		
Fixed Asset Fund	418,857	-	(161,084)	189,406	447,179
Pan UK	75,900	-	(77,321)	1,421	-
University of Abomey-Calavi, Benin	10,000	-	-	-	10,000
Goodweave	-	-	(10,000)	40,000	30,000
Dalit Solidarity Network UK	-	-	6,644	(6,644)	-
ChildHope	30,000	-	(61,877)	129,208	97,331
Arogya Agam	-	-	(5,000)	16,000	11,000
READ	-	-	(25,806)	147,829	122,023
Fairtrade	-	-	(30,176)	97,027	66,851
	<u>534,757</u>	<u>-</u>	<u>(364,620)</u>	<u>614,247</u>	<u>784,384</u>

Fixed Asset Fund

This represents the net book value of the fixed assets at 31 December 2017.

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.

University of Abomey-Calavi, Benin – Pesticide Research

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

Goodweave

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

Dalit Solidarity Network UK

The project will work to 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. This year's accounts show a negative expenditure entry and a transfer out of designated funds to reflect repayment of unspent project balances.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

17 Designated funds

(Continued)

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.

READ and Arogya Agam

The project campaigning to end the practice of girls working in spinning mills of south India in return for a lump sum at the end of a three year period will continue for another three years with this grant. The project is implemented by READ with consultancy support from a larger NGO based in Tamil Nadu, Arogya Agam.

Fairtrade

This grant aims to develop a high quality, non GM cotton for organic Fairtrade farmers in North India. The project is implanted by Pratibha Syntex with support from the Fairtrade Foundation.

18 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Total £
Fund balances at 31 December 2017 are represented by:			
Tangible assets	-	447,179	447,179
Current assets/(liabilities)	3,473,093	337,205	3,810,298
	<u>3,473,093</u>	<u>784,384</u>	<u>4,257,477</u>

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

19 Operating lease commitments

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

	2017 £	2016 £
Within one year	1,072,500	1,074,331
Between two and five years	3,220,104	2,987,604
In over five years	2,666,417	3,197,000
	<u>6,959,021</u>	<u>7,258,935</u>

21 Cash generated from operations

	2017 £	2016 £
Surplus for the year	692,201	244,551
Adjustments for:		
Investment income recognised in statement of financial activities	(11,951)	(21,134)
Gain on disposal of tangible fixed assets	(2,619)	-
Depreciation and impairment of tangible fixed assets	161,084	145,935
Movements in working capital:		
Decrease/(increase) in debtors	91,628	(7,374)
(Decrease)/increase in creditors	(56,601)	30,283
Cash generated from operations	<u>873,742</u>	<u>392,261</u>

22 Related party transactions

There were no related party transactions in the year.