

Charity Registration No. 297489

Company Registration No. 2143753 (England and Wales)

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TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



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 Bhartti	(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	HW Fisher Acre House 11-15 William Road London NW1 3ER United Kingdom	
Bankers	Barclays Bank Plc 36/38 Park Royal Road Park Royal London NW10 7JA United Kingdom	
Solicitors	Pinney Talfourd LLP Crown House 40 North Street Hornchurch Essex RM11 1EW	

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

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TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2018

The trustees present their report and financial statements for the year ended 31 December 2018.

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 TRAID is established are given below:

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 the means to donate the clothing they no longer wear through 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 2018, were as follows:

Ms Lekha Klouda (Serving Chair)
Mr Ian Hagg
Mr David Williams
Mr Stephen Robertson
Mr Andy Rutherford
Ms Melinda Bhartti (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 2018

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.

Trustee Induction

Trustees are inducted into the organisations through meeting senior management and accessing organizational documentation. Newly appointed Trustees meet with the CEO and Chair for a 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 audited accounts, quarterly management reports and annual budgets.

Senior Management

The Senior Management Team who served during 2018 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	HR and 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

TRAIID's salaries are benchmarked against the relevant external sector. Bodies such as the Charity Retail Association, ACEVO pay survey, The Living wage foundation and external public 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 2018

Strategic Report

The descriptions under the headings "Risk Management", "Achievements and performance", "Financial review" and "Plans for the future" meet the company law requirements for the trustees to present a strategic report.

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, 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**

TRAIID reviews its risks annually and in 2018 the following principal risks were identified:

- Decreased available recycling sites due to Councils, supermarkets and Local Authorities tendering out public clothing collections.
- Decreased recycling sites, due to increased fly tipping and their associated costs.
- Increased expenditure being driven by increased rents from landlords.
- Change in market conditions relating to warehousing with more demand than supply.

Grant Making Policy

TRAIID makes grants to external charity partners who deliver carefully considered international development programmes. In 2018, TRAIID continued to focus its funding on combating the negative impacts of clothing by supporting global projects focused on the textile supply chain.

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 2018, TRAIID collected 2,458 tons of the UK's unworn clothing, through its textile recycling banks and home collection service.

Based on WRAP's clothing calculator:

The environmental benefit of collecting 2,458 tonnes of clothing is a water saving of 3,934,400,000 litres and 23,360 of carbon/CO2.

Through its shops and media, TRAIID continued to promote secondhand first over new clothing, highlighting the environmental and social benefits. TRAIID launched a campaign to get Londoners to put back into circulation the clothing that they no longer wear, therefore lessening the need for more new clothes and their environmental impacts.

Educating the public

2018, TRAIID achieved a direct educational outreach of 5,200 people through delivering 116 workshops and educational activities. TRAIID's well-established school programme worked directly with 2,298 primary and secondary school children delivering 31 activities focusing on clothing reuse and sustainability. TRAIID continued to promote its environmental objective through running information stalls and events, supporting local authorities to encourage 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)

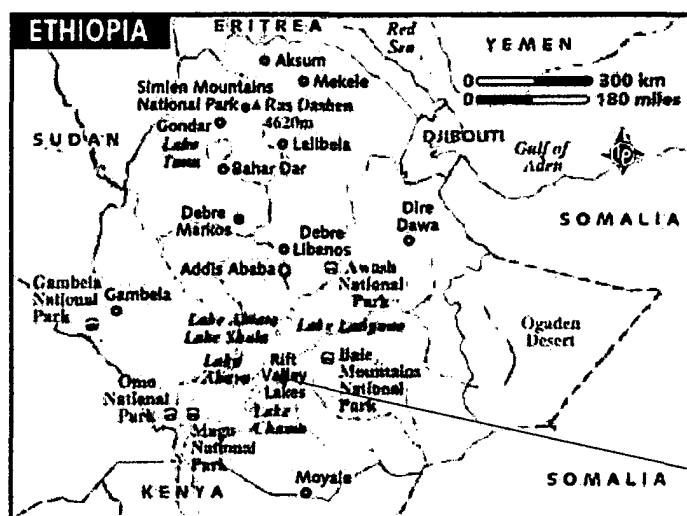
FOR THE YEAR ENDED 31 DECEMBER 2018

The relief of poverty

In 2018, a total of £337,201 was designated for use in three international development programmes.

New projects funded in 2018

Partner:	PAN UK and PAN Ethiopia
Country:	Ethiopia
Project length:	3 years
Amount:	£252,188

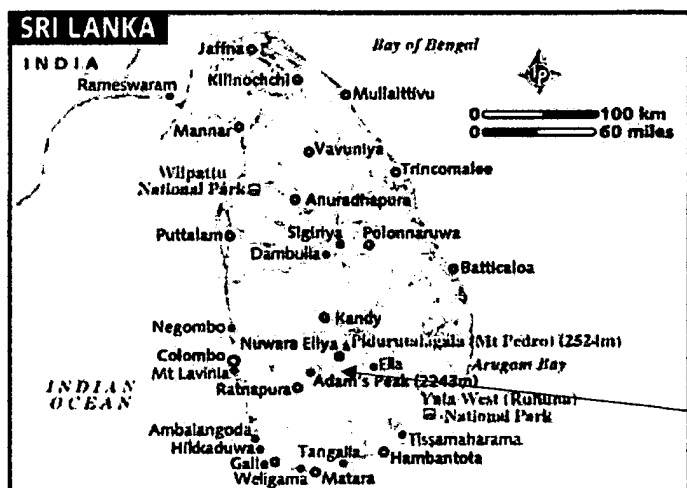


Arba Minch

This project is an expansion of the original 2012 project. Over three years the team will work with another 2,700 farmers helping them to improve yields while cutting out synthetic fertilisers and pesticides. This will bring the total number of farmers to just under 6,000.

The project will also experiment with supporting groups to set up cotton related businesses alongside growing cotton. This will help to reduce the risks small-scale cotton producers face by supporting improved productivity and diversifying income sources. For example, women farmers will be trained to produce ready-made organic pesticides to sell to other farmers.

Partner:	Tea Leaf Trust and AMMA
Country:	Sri Lanka
Project length:	1 year
Amount:	£10,000



Nuwara Eliya

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

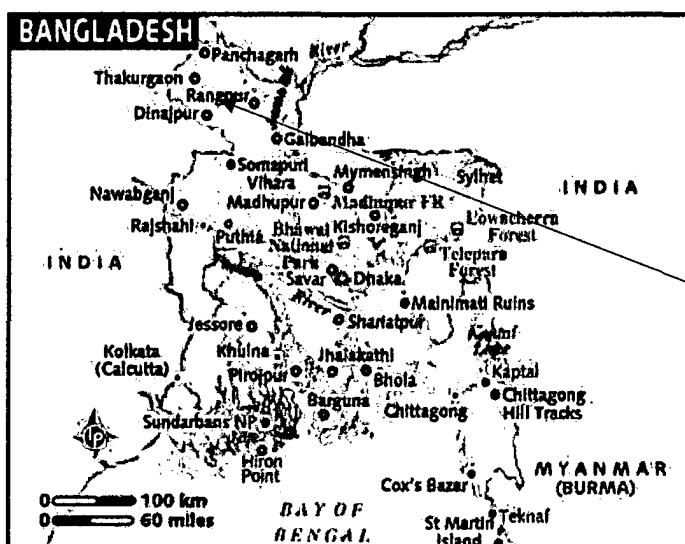
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2018

During Britain's colonisation of India and Sri Lanka, it 'imported' many workers from south India to create and work in Sri Lanka's tea plantations. Generations on, it is still these people who do this back breaking, repetitive and badly paid work. Most Sinhalese Sri Lankans are much too well educated to consider it. AMMA is a tiny business run by an English woman who studied at Central St Martins. She runs a 'natural dye workshop' which is staffed by a small team of women ex-tea pickers. The women will receive better wages and flexible work patterns recognising their other roles as mothers and housekeepers, and will benefit from professional development and a life skills programme covering topics from financial management to leadership skills. The naturally dyed products they make will be sold to tourists in Sri Lanka and exported to Europe.

Our funding will allow an expansion of the current workshop and will last one year.

Partner:	Traidcraft Exchange and Traidcraft Bangladesh
Country:	Bangladesh
Project length:	1 year
Amount:	£75,013



The Bangladesh Textile Association estimates that about a third of cloth used in Bangladesh's garment factories is wasted. However, there are hundreds of small businesses which have started to collect end of rolls/the larger cut offs to make clothes for Bangladeshis.

This one year project will research what mileage there is in this industry and whether it could be replicated in India. It will also train business managers/owners and potential employees to give these small businesses a better chance of success.

As well as reducing environmental damage and waste, creating employment in areas outside of Bangladesh's capital Dhaka is incredibly important. According to UN Habitat, Dhaka is the world's most crowded city and with more people migrating in every day from rural areas it is literally bursting at the seams making it a difficult and expensive place to live.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2018

Financial Review

For the year end 31st December 2018, TRAIID had incoming resources of £5,817,024 up 4.4% on the previous year (2017: £5,574,072), reflecting the ongoing strength of the retail revenue stream. Total resources expended were £5,341,994 up 9.4% on the previous year (2017: £4,881,871), largely reflecting increased investment in staff to support the revenue generating activities.

At 31st December 2018 net assets amounted to £4,732,507 (2017: £4,257,477) of which general unrestricted funds totalled £3,961,570 (2017: £3,473,093) and designated funds totalled £770,937 (2017: £784,384). TRAIID's bank balance was £4,447,988. This balance was sufficient to cover the six months operating costs as per TRAIID's reserves policy (£2,505,445) and the outstanding development funding commitments of £441,511.

Plans for the future

Looking to 2019, 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 continue its work of offering ease and innovation to the UK public regarding acting responsibly and sustainably with their unworn clothes, through increasing its offer of accessible facilities for clothing reuse. TRAIID shops will look to increase their environmental impact of displacing new clothing with second-hand through public awareness and expansion.

TRAIID's educational outreach will continue to address changes in environmental and social behavior through creating educational tools for social engagement. Investment in campaigning will be a new feature, where further public awareness through crafted campaign material will seek to engage more people with the objectives of the organisation.

The charity will continue to focus its international development funding on projects related to the textile supply chain, continuing the current theme of organic cotton, garment workers children, exploitation in spinning mills and small innovative projects.

Volunteering contribution

Volunteers are welcome across all TRAIID departments. In 2018 TRAIID supported 225 volunteers who contributed 13,190 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 £2,505,445 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 £3,505,445. During 2018 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 2018

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 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

The Trustees' report, including the strategic report, was approved by the board of Trustees.

On behalf of the Board of Trustees



Lekha Klouda

Chair of Trustees

Dated: 23 Sept 2019

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018 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 2018 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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 and the strategic 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 strategic report and the directors' report included within the trustees' report have 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 strategic report or 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.

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 HW Fisher

Chartered Accountants
Statutory Auditor

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

25 September 2019

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

		Unrestricted funds general 2018 £	Unrestricted funds designated 2018 £	Total 2018 £	Unrestricted funds general 2017 £	Unrestricted funds designated 2017 £	Total 2017 £
Notes							
<u>Income and endowments from:</u>							
Incoming resources from							
charitable activities	3	5,805,749	-	5,805,749	5,559,502	-	5,559,502
Investments	4	9,330	-	9,330	11,951	-	11,951
Other income	5	1,945	-	1,945	2,619	-	2,619
Total income		5,817,024	-	5,817,024	5,574,072	-	5,574,072
<u>Expenditure on:</u>							
<u>Charitable activities</u>							
Diverting clothes and shoes							
from landfill	6	4,777,568	232,572	5,010,140	4,428,483	160,433	4,588,916
Education on environmental							
and poverty issues	6	49,096	422	49,518	65,928	480	66,408
Overseas development							
projects	6	35,339	246,997	282,336	22,840	203,707	226,547
Total charitable expenditure		4,862,003	479,991	5,341,994	4,517,251	364,620	4,881,871
Net incoming resources before transfers		955,021	(479,991)	475,030	1,056,821	(364,620)	692,201
Gross transfers between							
funds		(466,544)	466,544	-	(614,247)	614,247	-
Net income for the year/ Net movement in funds		488,477	(13,447)	475,030	442,574	249,627	692,201
Fund balances at 1 January							
2018		3,473,093	784,384	4,257,477	3,030,519	534,757	3,565,276
Fund balances at 31 December 2018		3,961,570	770,937	4,732,507	3,473,093	784,384	4,257,477

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 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	11		329,426		447,179
Current assets					
Debtors falling due after one year	13	30,901		68,525	
Debtors falling due within one year	13	554,450		398,007	
Cash at bank and in hand		4,447,988		3,839,107	
		5,033,339		4,305,639	
Creditors: amounts falling due within one year	14	(630,258)		(495,341)	
Net current assets			4,403,081		3,810,298
Total assets less current liabilities			4,732,507		4,257,477
Income funds					
<u>Unrestricted funds</u>					
Designated funds	16	770,937		784,384	
General unrestricted funds		3,961,570		3,473,093	
			4,732,507		4,257,477
			4,732,507		4,257,477

The financial statements were approved by the Trustees on 19 Sept 2019



Ms Lekha Klouda
Trustee

Company Registration No. 2143753

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

		2018		2017	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	20		713,056		873,742
Investing activities					
Purchase of tangible fixed assets		(125,645)		(189,406)	
Proceeds of disposal of tangible fixed assets		12,140		2,619	
Interest received		9,330		11,951	
Net cash used in investing activities			(104,175)		(174,836)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			608,881		698,906
Cash and cash equivalents at beginning of year			3,839,107		3,140,201
Cash and cash equivalents at end of year			<u>4,447,988</u>		<u>3,839,107</u>

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018

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 only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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. Material estimates and judgements are set out below.

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 has been calculated based on tonnage collected from the banks using average prices for clothes bank materials.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3 Incoming resources from charitable activities

	Diverting clothes and shoes from landfill 2018 £	Education on environmental and poverty issues 2018 £	Total 2018 £	Diverting clothes and shoes from landfill 2017 £	Education on environmental and poverty issues 2017 £	Total 2017 £
Retail sales	4,942,335	-	4,942,335	4,768,748	-	4,768,748
Wholesale sales	783,787	-	783,787	688,128	-	688,128
Other income	74,389	5,238	79,627	98,075	4,551	102,626
	<u>5,800,511</u>	<u>5,238</u>	<u>5,805,749</u>	<u>5,554,951</u>	<u>4,551</u>	<u>5,559,502</u>

4 Investments

	Unrestricted funds general 2018 £	Unrestricted funds general 2017 £
Interest receivable	<u>9,330</u>	<u>11,951</u>

5 Other income

	2018 £	2017 £
Net gain on disposal of tangible fixed assets	<u>1,945</u>	<u>2,619</u>

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

6 Charitable activities

	Diverting clothes and shoes from landfill 2018 £	Education on environmental and poverty issues 2018 £	Overseas development projects 2018 £	Total 2018 £	Diverting clothes and shoes from landfill 2017 £	Education on environmental and poverty issues 2017 £	Overseas development projects 2017 £	Total 2017 £
Staff costs	2,340,254	38,243	24,851	2,403,348	2,036,745	55,546	19,776	2,112,067
Depreciation and impairment	212,124	-	-	212,124	140,962	-	-	140,962
Carriage and freight	14,088	-	-	14,088	12,171	-	-	12,171
Rent	1,146,805	-	-	1,146,805	1,106,190	-	-	1,106,190
Other costs	330,804	2,674	7,631	341,109	264,167	2,556	272	266,995
Clothing costs	198,400	-	-	198,400	256,517	-	-	256,517
Rates	108,364	-	-	108,364	100,694	-	-	100,694
Light and heat	136,478	-	-	136,478	117,918	-	-	117,918
Consultancy	101,975	-	-	101,975	80,305	-	-	80,305
Repairs and maintenance	71,332	-	-	71,332	135,689	-	-	135,689
	<u>4,660,624</u>	<u>40,917</u>	<u>32,482</u>	<u>4,734,023</u>	<u>4,251,358</u>	<u>58,102</u>	<u>20,048</u>	<u>4,329,508</u>
Grant funding of activities (see note 7)	-	-	246,787	246,787	-	-	203,536	203,536
Share of support costs (see note 8)	336,211	8,273	2,950	347,434	325,027	7,997	2,853	335,877
Share of governance costs (see note 8)	13,305	328	117	13,750	12,531	309	110	12,950
	<u>5,010,140</u>	<u>49,518</u>	<u>282,336</u>	<u>5,341,994</u>	<u>4,588,916</u>	<u>66,408</u>	<u>226,547</u>	<u>4,881,871</u>
Analysis by fund								
Unrestricted funds - general	4,777,568	49,096	35,339	4,862,003	4,428,483	65,928	22,840	4,517,251
Unrestricted funds - designated	232,572	422	246,997	479,991	160,433	480	203,707	364,620
	<u>5,010,140</u>	<u>49,518</u>	<u>282,336</u>	<u>5,341,994</u>	<u>4,588,916</u>	<u>66,408</u>	<u>226,547</u>	<u>4,881,871</u>

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

7 Grants payable

	2018 £	2017 £
Grants to institutions:		
Pan UK	68,588	77,321
Goodweave	20,000	10,000
ChildHope	68,339	61,877
Dalit Solidarity Network UK	-	(6,644)
Arogya Agam	5,000	5,000
READ - Rights Education and Development Centre	48,808	25,806
Fairtrade	29,554	30,176
Tea Leaf	6,840	-
University of Abomey-Calavi, Benin	10,000	-
WOW NGWF	(10,342)	-
	<u>246,787</u>	<u>203,536</u>

8 Support costs

	Support costs £	Governance costs £	2018 £	Support costs £	Governance costs £	2017 £
Staff costs	233,252	-	233,252	230,406	-	230,406
Depreciation	21,080	-	21,080	20,122	-	20,122
Other costs	93,102	-	93,102	85,349	-	85,349
Audit fees	-	13,750	13,750	-	12,950	12,950
	<u>347,434</u>	<u>13,750</u>	<u>361,184</u>	<u>335,877</u>	<u>12,950</u>	<u>348,827</u>
Analysed between						
Charitable activities	<u>347,434</u>	<u>13,750</u>	<u>361,184</u>	<u>335,877</u>	<u>12,950</u>	<u>348,827</u>

9 Trustees

None of the trustees received remuneration for their services during the year (2017: £nil).

None of the trustees were reimbursed for any expenses during the year (2017: £nil).

The charitable company did pay for trustees indemnity insurance during the year for the premium of £391 (2017: £391).

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2018 Number	2017 Number
Shops	66	63
Collecting, sorting and distribution	37	32
Education	3	2
Overseas development	1	1
Management and administration	4	4
Recycling	3	3
	<u>114</u>	<u>105</u>

Employment costs

	2018 £	2017 £
Wages and salaries	2,364,508	2,129,580
Social security costs	203,080	184,647
Other pension costs	69,012	28,246
	<u>2,636,600</u>	<u>2,342,473</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 Officer, Finance Manager, Commercial Director, Head of International Programmes, Head of Communications, Head of Campaigns and Education, Logistics and Operations Manager, Recycling Development Manager, and HR and Volunteers Manager.

Total benefits received by the senior management team in the year amounted to £476,934 (2017: £412,027). The trustees received no remuneration during the year (2017: nil).

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

	2018 Number	2017 Number
£60,000 - £69,999	1	-
£90,000 - £99,000	1	1

Contributions totalling £19,072 (2017: £5,635) 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 2018

11 Tangible fixed assets

	Containers	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2018	966,117	1,244,801	234,969	2,445,887
Additions	-	108,495	17,150	125,645
Disposals	(472,942)	(403,560)	(35,732)	(912,234)
At 31 December 2018	493,175	949,736	216,387	1,659,298
Depreciation				
At 1 January 2018	966,117	933,716	98,875	1,998,708
Depreciation charged in the year	-	166,532	66,671	233,203
Eliminated in respect of disposals	(472,942)	(403,560)	(25,537)	(902,039)
At 31 December 2018	493,175	696,688	140,009	1,329,872
Carrying amount				
At 31 December 2018	-	253,048	76,378	329,426
At 31 December 2017	-	311,085	136,094	447,179

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

12	Financial instruments	2018	2017
		£	£
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	127,157	93,428
		<u> </u>	<u> </u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	526,277	446,193
		<u> </u>	<u> </u>
13	Debtors	2018	2017
		£	£
	Amounts falling due within one year:		
	Trade debtors	90,519	21,166
	Other debtors	95,263	74,847
	Prepayments and accrued income	368,668	301,994
		<u> </u>	<u> </u>
		554,450	398,007
		<u> </u>	<u> </u>
		2018	2017
	Amounts falling due after more than one year:	£	£
	Other debtors	30,901	68,525
		<u> </u>	<u> </u>
	Total debtors	585,351	466,532
		<u> </u>	<u> </u>
	Other debtors of £30,901 (2017: £68,525) relates to rent deposits which are repayable in more than one year. The rent deposits are charged as security for amounts payable under the respective leases.		
14	Creditors: amounts falling due within one year	2018	2017
		£	£
	Other taxation and social security	103,981	49,148
	Trade creditors	247,791	167,560
	Accruals and deferred income	278,486	278,633
		<u> </u>	<u> </u>
		630,258	495,341
		<u> </u>	<u> </u>
15	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 2018 were £97,195 (2017: £28,246)		

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

16 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 2018 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 2018 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	Resources expended	Transfers	Balance at 1 January 2018	Resources expended	Transfers	Balance at 31 December 2018
	£	£	£	£	£	£	£
Fixed Asset Fund	418,857	(161,084)	189,406	447,179	(233,203)	115,450	329,426
Pan UK	75,900	(77,321)	1,421	-	(68,588)	272,688	204,100
University of Abomey-Calavi, Benin	10,000	-	-	10,000	(10,000)	-	-
Goodweave	-	(10,000)	40,000	30,000	(20,000)	-	10,000
WOW NGWF	-	-	-	-	10,342	(10,342)	-
Tea Leaf	-	6,644	(6,644)	-	(6,840)	10,000	3,160
ChildHope	30,000	(61,877)	129,208	97,331	(68,340)	3,735	32,726
Arogya Agam	-	(5,000)	16,000	11,000	(5,000)	-	6,000
READ	-	(25,806)	147,829	122,023	(48,808)	-	73,215
Fairtrade	-	(30,176)	97,027	66,851	(29,554)	-	37,297
Traidcraft Exchange	-	-	-	-	-	75,013	75,013
	<u>534,757</u>	<u>(364,620)</u>	<u>614,247</u>	<u>784,384</u>	<u>(479,991)</u>	<u>466,544</u>	<u>770,937</u>

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

16 Designated funds

(Continued)

Fixed Asset Fund

This represents the net book value of the fixed assets at 31 December 2018.

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

Grants 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.

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.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

16 Designated funds

(Continued)

Tea Leaf

This project will provide alternative employment to women working in tea plantations in central Sri Lanka. The women will receive training in dyeing and sewing high-end niche products for the domestic and foreign market. Their work hours will allow for the fact that they also need to care for their children.

WOW NGFWF

£10,342 was returned from a grant made in 2013 for a project to be implemented by NGWF, Bangladesh, and FTZ & GSEU, Sri Lanka. Part way through the project War on Want stopped partnering NGWF, remaining activities were implemented by FTZ & GSEU only. There were also major staff changes at War on Want which made the UK activities difficult to complete. The unspent monies were therefore returned

Traidcraft Exchange

Unlocking the potential of the Backyard garments sector to reduce poverty and waste in south Asia.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

17 Analysis of net assets between funds

	Unrestricted funds 2018 £	Designated funds 2018 £	Total 2018 £	Unrestricted funds 2017 £	Designated funds 2017 £	Total 2017 £
Fund balances at 31 December 2018 are represented by:						
Tangible assets	-	329,426	329,426	-	447,179	447,179
Current assets/(liabilities)	3,961,570	441,511	4,403,081	3,473,093	337,205	3,810,298
	<u>3,961,570</u>	<u>770,937</u>	<u>4,732,507</u>	<u>3,473,093</u>	<u>784,384</u>	<u>4,257,477</u>

18 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:

	2018 £	2017 £
Within one year	1,053,478	1,072,500
Between two and five years	3,129,792	3,220,104
In over five years	2,393,875	2,666,417
	<u>6,577,145</u>	<u>6,959,021</u>

19 Related party transactions

There were no related party transactions in the year.

20 Cash generated from operations

	2018 £	2017 £
Surplus for the year	475,030	692,201
Adjustments for:		
Investment income recognised in statement of financial activities	(9,330)	(11,951)
Gain on disposal of tangible fixed assets	(1,945)	(2,619)
Depreciation and impairment of tangible fixed assets	233,204	161,084
Movements in working capital:		
(Increase)/decrease in debtors	(118,819)	91,628
Increase/(decrease) in creditors	134,916	(56,601)
Cash generated from operations	<u>713,056</u>	<u>873,742</u>