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COMPANY REGISTRATION NUMBER: 02143753
CHARITY REGISTRATION NUMBER: 297489

Textile Reuse and International Development

Company Limited by Guarantee

Financial Statements

31 December 2022



LEAMAN MATTEI
Chartered accountants & statutory auditor
Suite 1, First floor
1 Duchess Street
London
W1W 6AN

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Textile Reuse and International Development

Company Limited by Guarantee

Financial Statements

Year ended 31 December 2022

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Textile Reuse and International Development

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 December 2022

Reference and administrative details

Registered charity name	*Textile Reuse and International Development*
Charity registration number	297489
Company registration number	02143753
Principal office and registered office	Unit 404 Clerkenwell Workshops 27/31 Clerkenwell Close London EC1R 0AT
The trustees	
	Ms Lekha Klouda Mr Ian Hagg Mr Stephen Robertson Mr Andy Rutherford Ms Anna Katharine Lovell Mr Neil Carrett (Resigned 19 June 2023) Mrs Melinda Arin Keegan
Company secretary	Ms Maria Chenoweth
Auditor	Leaman Mattei Chartered accountants & statutory auditor Suite 1, First floor 1 Duchess Street London W1W 6AN

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The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 December 2022.

Objectives and activities

TRAID is a charity that works both here in the UK and internationally with its focus on the environmental and social problems caused by clothing and fashion.

TRAID is a registered charity (charity number 297489) and is constituted as a company registered in England and limited by guarantee (company number 02143753).

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.

All TRAID activities have environmental and social benefits including reducing the volume of textiles entering the waste stream, reducing green-house gas emissions generated by textiles in landfill, reducing the need for new natural resources through extending the lifecycle of clothing, and providing a model of business that funds and supports global international development programmes.

Conservation and protection of the physical environment is met through promoting, donating and reusing clothes. TRAID provides the public with the means to donate clothing for charity resale through a nationwide network of clothing donation banks, regional free home collections and London based charity shops.

The clothing that TRAID collects is hand sorted by TRAID staff for resale in TRAID shops. To preserve natural resources TRAID shops promote wearing and buying second hand fashion over new.

TRAID shops cater for a broad demographic, making second-hand clothing inclusive to all through its product offering and price points.

TRAID operations create 160 living wage foundation accredited environmental jobs that benefit people and the environment.

As a charitable not-for-profit, TRAID's activities also fund international NGO projects that focus on the textile supply chain.

Projects funded by TRAID include supporting the transition to organic cotton production in Africa, supporting the means to abolish bonded labour in South Indian spinning mills, providing day care centres and care for garment worker children in Bangladesh.

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Structure, governance and management

1. The Trustees

The Directors of TRAID (Textile Reuse and International Development) are its Trustees, collectively known as the Board of Trustees. The Trustees who served during the year, and up to the date of this report, are as follows:

Lekha Klouda (Serving Chair)
Ian Hagg
Stephen Robertson
Andy Rutherford
Melinda Keegan
Anna Lovell
Neil Carrett (resigned 19 June 2023)

Trustees at their discretion may admit persons who support the objects of the charity to the Board, seeking those with an interest or expertise in charity's work

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.

2. Trustee Induction

Trustees are inducted into the organisation through meeting senior management and accessing organisational 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 TRAID's audited accounts, quarterly management reports and annual budgets.

All trustees are selected for their relevant experience and expertise and largely work within relevant sectors in industry. TRAID leverages the training and continuing professional development that the trustees receive within their day jobs but would support with access to relevant additional training through professional partners if necessary.

Structure, governance and management *(continued)*

3. Senior Management

The Senior Management Team who served during 2022 was as follows:

Maria Chenoweth	Chief Executive
Umashish Panda	Finance Manager
Enedina Columbano	Commercial Director
Leigh McAlea	Communications and Projects Manager
Roberto Clemente	Logistics and Operations Manager
Jose Baladron	Recycling Development Manager
Rodrigo Flores	HR and Volunteer Recruitment Manager
Sophie Calderbank	Communications and Marketing 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 financial and 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 the Senior Management operate within the scope of its delegated powers and to the charity's objectives. These mechanisms include annual budgets that are approved by the Board, annual aims and objectives, quarterly reports that review the charity's progress, monthly financial 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, organisational risk, charitable objectives and financial performance. The Chair of the Board meets regularly with the Chief Executive to review the progress of the charity.

4. Remuneration

TRAID's salaries are benchmarked and calculated against their relevant external sector. Bodies such as the Charity Retail Association, ACEVO pay survey, Glass Door, The Living Wage Foundation and specific external recruitment agencies are used.

Strategic report

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

Risk Management

The Board of Trustees have overall responsibility for TRAID'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 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 TRAID's exposure to major risk. In addition, any new risks are identified in the quarterly management reports circulated to the Board.

Principal Risks

TRAID reviews its risk register in full annually however the senior management team are mindful of the risk environment and update the risk register, putting in place mitigating actions as new risks are identified. In 2022 the following principal risk was highlighted which is being managed to our risk management policy and strategies.

1. Warehousing

With the end of the warehouse lease approaching in 2025, poor market conditions of acquiring replacement warehousing was identified as a principal risk.

TRAID managed this principal risk in the following way:

- Warehousing is kept as an ongoing agenda issue at Board meetings;
- The Board and Senior Management are up to date with the warehousing market including cost, cost of moving and timelines;
- Dilapidation forecasts factor in TRAID's financial projections
- In line with monthly accounts, update five-year financial forecasts;
- Ring fenced reserves to give future warehousing options

Strategic report *(continued)*

Look at alternative ways to increase income to mitigate losses. Ensure good management of expenditure. Keep abreast of any available funding and financial support.

Grant Making Policy

TRAID makes grants to external charity partners who deliver carefully considered international development programmes. In 2022, TRAID continued to focus its funding on the social and environmental impacts of clothing.

TRAID has a grant making policy of providing longer term financial support to the same projects and building a reliable partnership, however due to the financial impact of the pandemic on reserves, TRAID was only able to offer single year commitments in 2022.

Public Benefit

The Trustees have complied with their duty under the Charities Act 2011 to have due regard to the guidance published by the Charity Commission.

Achievements and performance

1. Protecting the Environment

Each week here in the UK, 33 million items of new clothes are bought, and 11 million items thrown into the rubbish. The annual global carbon footprint of the fashion industry is a stated 3.3 billion tonnes.

WRAP states that for every three items of second-hand clothing purchased, one new item of clothing will not be purchased, meaning second-hand clothing causes a displacement effect reducing the need for more new clothing that is damaging to the environment.

TRAID's environmental aim is to drive people away from new fast fashion purchases through its network of second-hand clothing charity shops; in tandem we promote passing on unworn and unwanted clothing through our network of textile banks and home collections.

Based on WRAP's calculation, in 2022 the environmental benefit of TRAID collections and retail was a carbon saving of 2,771 tonnes and 466,649,143 litres of water.

2. Public Education

During 2022, TRAID promoted the issues of clothing through online and public facing mediums. At the end of 2022 more investment and attention was given to social media, with regular newsletters and good press coverage maintained. Public education was given through local authority activities and CEO external engagements.

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Achievements and performance ***(continued)***

3. International development

The Funding payments made during 2022 totalled £395,914. In 2022, the Board approved international development funding of 6 projects in 4 countries totalling £573,588. This comprised new project funding for Childhope (Bangladesh), OBEPAB (Benin), PAN Ethiopia, and READ (India).

4. Project Summaries

a) PAN Ethiopia & PAN UK
£162,659 - 1 Year - Ethiopia
Organic agroecology

To ready the cotton project to scale up significantly from 2024 to take advantage of new market opportunities and national government and international commitments to sustainable cotton.

b) PAN Ethiopia & PAN UK
£32,420 - 1 Year - Ethiopia
Organic agroecology

To extend TRAID funded proven participatory farming practices benefiting cotton farmers to smallholder vegetable farmers and cotton producers growing vegetables.

c) OBEPAB & PAN UK
£71,780- 1 Year - Benin
Organic agroecology

To support doubling Benin's organic cotton production by building capacity and strengthening supply chain linkages and communications to showcase Benin's high quality organic cotton and good practices.

d) PAN UK
£19,600 - 1 year - Benin and Ethiopia
Organic agroecology

To develop and use the IPM ladder tool - a training and monitoring tool - to benchmark different types of cotton farmers and identify improvements in the current training curriculum.

e) READ
£177,687 - 3 Years India
Garment worker's rights

To secure better livelihoods for local and migrant garment workers with legal and advocacy support to access rights and to support the children of garment workers into school.

Achievements and performance *(continued)*

f) Nagorik Uddyog and Childhope
£109,442 - 1 Year - Bangladesh
Garment worker and children's rights

To provide quality care and education for 180 children of garment working mothers through the provision of community-based day care and drop-in centres.

Financial review

For the year ended 31st December 2022, TRAID had incoming resources of £8,657,587 up 33.2% on the previous year (2021: £6,500,151), reflecting the ongoing strength of the retail revenue stream. Total resources expended were £6,949,735, up 21.0% on the previous year (2021: £5,744,445), largely reflecting increased investment in staff to support the revenue generating activities and increased investment in overseas projects.

At 31st December 2022 net assets amounted to £7,207,357 (2021: £5,499,505) of which general unrestricted funds totalled £6,150,978 (2021: £4,719,151) and designated funds totalled £1,056,379 (2021: £780,354). TRAID's bank balance was £6,550,350. This balance was sufficient to cover the six months operating costs (estimated to be £3m) as per TRAID's reserves policy.

Plans for the future

2022 was a year in which a return to normal operating conditions took place after the Covid pandemic. TRAID will continue to manage its finances through real time updated financial spreadsheets that feed into a five-year projection, ensuring the effective management of the charity and financial planning for the potential having to move warehouse in 2025.

The charity will continue funding international development projects that are focused on the social and environmental impacts of the textile supply chain. TRAID will continue its current themes of organic cotton, garment workers' children, exploitation in spinning mills and small innovative projects such as cotton rotation crops and intercropping.

In 2023, new project program funding will resume to TRAID's usual 2-3-year financing, this will ensure partners can operate with long term strategies.

TRAID will continue its work of offering easy and innovative ways for the UK public to act responsibly and sustainably with their unworn clothes, through retaining and increasing our offer of accessible facilities for people to donate their unworn clothing for resale. TRAID shops will work to increase their environmental impact by displacing new clothing purchases with second-hand through good product offering, prominent outlets, and generating public awareness.

Long term operational planning will continue, giving focus on TRAID's current warehousing, our needs and working methodology.

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Staff and Volunteering contribution

TRAID continues to be an accredited London living wage employer, providing employment for 140 staff.

Volunteer input increased during 2022, due to being post pandemic, with 227 people giving 1,042 days.

Reserves policy

It is the policy of TRAID that unrestricted funds should be maintained to ensure that the Charity remains able to continue supporting its charitable activities and to cope with unforeseen risks. Based on good practice, in 2022 general reserves of six-months operating costs (estimated to be £3.5m) were retained.

In addition, careful consideration has been given to the need to prepare for the end of the main warehouse lease in 2025, with a potential aim of TRAID acquiring its own warehouse, making the charity's operations more secure and resilient in the long-term. To that end additional reserves amounted to £2m. The long-term warehousing options are being kept under review by Trustees taking account of a rapidly changing business environment.

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

Going concern

The financial projections run from October 2023 to September 2024 based on actual 2022 performance and projection. The projection is based on textile yields remaining as is, retaining good retail performance, no further lockdowns, and no new retail expansion.

With remedial action, the forecast gives a projected surplus for the period of £1,357,631.

Factoring the projected new spending of £585,190 the bottom line becomes £772,441.

This scenario leaves the charity with a positive concluding cash balance of £7,428,137, covering TRAID's six-month reserves policy as well as planning for the end of the current main warehouse lease in 2025.

The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operation for twelve months from the date of approval of these financial statements.

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 TRAID's reuse and recycling activities in the United Kingdom.

Auditor reappointment

Leaman Mattei were appointed as 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 trustee

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

Trustees' responsibilities statement

The trustees, who are also directors for the purposes 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

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The trustees' annual report and the strategic report were approved on 26 September 2023 and signed on behalf of the board of trustees by:

DocuSigned by:
Lekha Klouda
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Ms Lekha Klouda
Trustee

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Textile Reuse and International Development

Company Limited by Guarantee

Independent Auditor's Report to the Members of Textile Reuse and International Development

Year ended 31 December 2022

Opinion

We have audited the financial statements of Textile Reuse and International Development (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, 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 FRS 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 charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

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 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.

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Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes 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 charity or to cease operations, or have no realistic alternative but to do so.

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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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operation of the charity, including the Companies Act 2006, Charities Act 2011, data protection, employment, environmental and health and safety legislation;
- we assessed the extent of non-compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence
- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected, and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- performed analytical review procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing the financial disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities,

including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx.

This description forms part of our auditor's report.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Sonia Yeshin
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Sonia Yeshin (Senior Statutory Auditor)

26 September 2023

For and on behalf of
Leaman Mattei
Chartered accountants & statutory auditor
Suite 1, First floor
1 Duchess Street
London
W1W 6AN

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Textile Reuse and International Development

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 December 2022

	Note	2022 Unrestricted funds £	2022 **Total funds** £	2021 Total funds £
Income and endowments				
Charitable activities	**5**	8,423,410	8,423,410	5,728,661
Investment income	**6**	34,177	34,177	6,046
Other income	**7**	200,000	200,000	765,444
Total income		8,657,587	8,657,587	6,500,151
Expenditure				
Expenditure on charitable activities	**8,9**	6,949,735	6,949,735	5,744,445
Total expenditure		6,949,735	6,949,735	5,744,445
Net income and net movement in funds		1,707,852	1,707,852	755,706
Reconciliation of funds				
Total funds brought forward		5,499,505	5,499,505	4,743,799
Total funds carried forward		7,207,357	7,207,357	5,499,505

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 21 to 32 form part of these financial statements.

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Textile Reuse and International Development

Company Limited by Guarantee

Statement of Financial Position

31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	**15**	713,949	582,975
Current assets			
Debtors	**16**	637,694	610,991
Cash at bank and in hand		6,550,350	5,242,685
		7,188,044	5,853,676
Creditors: amounts falling due within one year	**17**	527,155	769,665
Net current assets		6,660,889	5,084,011
Total assets less current liabilities		7,374,838	5,666,986
Provisions	**18**	167,481	167,481
Net assets		7,207,357	5,499,505
Funds of the charity			
Unrestricted funds:			
Designated funds		1,056,379	780,354
General unrestricted funds		6,150,978	4,719,151
Total unrestricted funds		7,207,357	5,499,505
Total charity funds	**19**	7,207,357	5,499,505

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the medium companies regime.

These financial statements were approved by the board of trustees and authorised for issue on 26 September 2023, and are signed on behalf of the board by:

DocuSigned by:
Lekha Klouda
2B1C4580E1E9402...

Ms Lekha Klouda
Trustee

The notes on pages 21 to 32 form part of these financial statements.

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Textile Reuse and International Development

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 December 2022

	2022 £	2021 £
Cash flows from operating activities		
Net income	1,707,852	755,706
Adjustments for:		
Depreciation of tangible fixed assets	294,494	252,895
Other interest receivable and similar income	(34,177)	(6,046)
Gains on disposal of tangible fixed assets	–	(6,950)
Accrued income	(7,034)	(156,899)
Changes in:		
Trade and other debtors	(26,703)	31,162
Trade and other creditors	(235,476)	(69,733)
Provisions and employee benefits	–	(5,141)
Cash generated from operations	1,698,956	794,994
Net cash from operating activities	1,698,956	794,994
Cash flows from investing activities		
Purchase of tangible assets	(433,851)	(258,963)
Proceeds from sale of tangible assets	8,383	21,450
Interest received	34,177	6,046
Net cash used in investing activities	(391,291)	(231,467)
Net increase in cash and cash equivalents	1,307,665	563,527
Cash and cash equivalents at beginning of year	5,242,685	4,679,158
Cash and cash equivalents at end of year	6,550,350	5,242,685

The notes on pages 21 to 32 form part of these financial statements.

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1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Unit 404 Clerkenwell Workshops, 27/31 Clerkenwell Close, London, EC1R 0AT.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

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.

(a) Accruals
Included within accruals is an amount due to Waltham Forest Council of £91,746 (2021: £94,303). 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.

(b) Provision for dilapidations
Included in provisions is an amount in respect of dilapidations for TRAID's shops and warehouses. This is based on management's judgement of the likely cost of restoring the properties to their original condition and rectifying any alterations made. This could be impacted by market fluctuations in building costs and also negotiations with the landlords on exiting the properties.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's objectives.

3. Accounting policies *(continued)*

Fund accounting *(continued)*

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

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.

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 cost of compliance with constitutional and statutory requirements. These costs have been allocated across the charitable activities in the same proportions as support costs.

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

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

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3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Long leasehold property	-	over the period of the lease
Containers	-	33% straight line
Motor vehicles	-	25% straight line
Fixtures, fittings and equipment	-	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.

Leasehold improvements include decommissioning costs relating to the leases.

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).

Grants payable

These are recognised when approval for payment has been given by the trustees subject to any necessary proper conditions having being met by the beneficiaries.

Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

Provisions include amounts for dilapidations and restoration where the terms of the lease require the leasehold property to be reinstated to the position it was before commencement of the lease.

3. Accounting policies *(continued)*

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.

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.

4. Limited by guarantee

The charity is is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

5. Charitable activities

	Total Funds 2022 £	Total Funds 2021 £
Retail sales	7,119,222	4,537,001
Wholesale sales	1,133,870	1,114,793
Other income	170,318	76,867
	8,423,410	5,728,661

Charitable income is from diverting clothes and shoes from landfill.

6. Investment income

	Total Funds 2022 £	Total Funds 2021 £
Interest receivable	34,177	6,046

7. Other income

	Total Funds 2022 £	Total Funds 2021 £
Gain on disposal of tangible fixed assets held for charity's own use	–	6,950
Coronavirus Job Retention Scheme (furlough) Income	–	441,086
Local Government Grant Income	–	317,408
Landlord compensation	200,000	–
	200,000	765,444

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8. Expenditure on charitable activities by fund type

	Total Funds 2022 £	Total Funds 2021 £
Diverting clothes and shoes from landfill	6,006,460	5,023,119
Overseas development projects	395,914	390,260
Support costs	547,361	331,066
	6,949,735	5,744,445

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	**Total funds 2022 £**	Total fund 2021 £
Diverting clothes and shoes from landfill	6,006,460	–	532,861	6,539,321	5,334,966
Overseas development projects	–	395,914	–	395,914	390,260
Governance costs	–	–	14,500	14,500	19,219
	6,006,460	395,914	547,361	6,949,735	5,744,445

10. Analysis of support costs

	Total 2022 £	Total 2021 £
Staff costs	396,283	235,711
Governance costs	14,500	19,219
Depreciation	8,200	10,131
Other costs	128,378	66,005
	547,361	331,066

11. Analysis of grants

	2022 £	2021 £
Grants to institutions		
Pan UK	273,444	235,172
ChildHope	66,968	60,718
Arogya Agam	–	800
READ - Rights Education and Development Centre	50,502	41,630
Fairtrade	–	41,940
AMMA & Tea Leaf Trust	5,000	10,000
	395,914	390,260
Total grants	395,914	390,260

12. Net income

Net income is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	294,494	252,895
Gains on disposal of tangible fixed assets	–	(6,950)

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022 £	2021 £
Wages and salaries	3,617,085	2,947,862

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. Contributions payable by the charity for the year ended 31 December 2022 were £80,820 (2021: £37,432).

Contributions totalling £10,272 (2021: £10,272) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

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, Communications Manager, Logistics and Operations Manager, Recycling Development Manager, and HR and Volunteer Recruitment Manager.

Total benefits received by the senior management team in the year amounted to £468,958 (2021: £451,432). The trustees received no remuneration during the year (2021: £nil).

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13. Staff costs *(continued)*

The average head count of employees during the year was 148 (2021: 128). The average number of full-time equivalent employees during the year is analysed as follows:

	2022	2021
	No.	No.
Shops	96	77
Collecting, sorting and distribution	43	42
Management and administration	7	7
Recycling	1	2
Overseas development	1	–
	148	128

The number of employees whose remuneration for the year fell within the following bands, were:

	2022	2021
	No.	No.
£60,000 to £69,999	1	1
£70,000 to £79,999	1	–
£90,000 to £99,999	–	1
£110,000 to £119,999	1	–
	3	2

14. Trustee remuneration and expenses

None of the trustees received remuneration for their services during the year (2021: £nil)

None of the trustees were reimbursed for any expenses during the year (2021: £nil)

The charitable company paid for trustee indemnity insurance during the year for the premium of £438 (2021: £489).

15. Tangible fixed assets

	Long leasehold property £	Containers £	Motor vehicles £	Fixtures, fittings and equipment £	**Total £**
Cost					
At 1 January 2022	167,481	493,175	572,662	1,453,792	2,687,110
Additions	–	–	76,775	357,076	433,851
Disposals	–	–	(8,383)	–	(8,383)
At 31 December 2022	167,481	493,175	641,054	1,810,868	3,112,578
Depreciation					
At 1 January 2022	106,598	493,175	359,101	1,145,261	2,104,135
Charge for the year	6,232	–	104,513	183,749	294,494
At 31 December 2022	112,830	493,175	463,614	1,329,010	2,398,629
Carrying amount					
At 31 December 2022	54,651	–	177,440	481,858	713,949
At 31 December 2021	60,883	–	213,561	308,531	582,975

16. Debtors

	2022 £	2021 £
Trade debtors	8,812	69,553
Prepayments and accrued income	405,146	360,217
Other debtors	223,736	181,221
	637,694	610,991

The debtors above include the following amounts falling due after more than one year:

	2022 £	2021 £
Other debtors	102,461	75,901

Other debtors of £102,461 (2021: £75,901) 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.

17. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	195,575	451,515
Accruals and deferred income	248,193	255,227
Social security and other taxes	83,387	62,923
	527,155	769,665

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17. Creditors: amounts falling due within one year *(continued)*

The overdraft is secured by fixed charges over the assets of the charity.

18. Provisions

	Dilapidations £
At 1 January 2022 and 31 December 2022	167,481

19. Analysis of charitable funds

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 2022 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 2022 represents the amount that TRAID expects to contribute to the various projects over the coming years. It is expected that all designated funds will be paid within the coming 1-4 years.

	Balance at 1 January 2022	Resources expended	Transfers	Balance at 31 December 2022
	£	£	£	£
Fixed Asset Fund	582,975	(288,262)	419,236	713,949
Pan UK	119,834	(254,097)	288,583	154,320
AMMA/Tea Leaf	5,000	(5,000)	–	–
ChildHope	34,747	(64,442)	74,695	45,000
Arogya Agam	–	–	1,238	1,238
READ	15,925	(50,502)	176,449	141,872
FAIRTRADE	21,873	(21,873)	–	–
	780,354	(684,176)	960,201	1,056,379

Fixed Assets Fund:

This represents the net book value of the fixed assets at 31 December 2022.

Childhope:

Four established centres provide the children of garment working mothers in Bangladesh with high quality care, education, and nutrition who would otherwise be on the streets, left home alone or working in unsafe conditions. Children aged 2-5 are prepared for government primary schools, while children aged 6-16, many of them working, receive non-formal education, life skills training and are supported into school wherever possible. The project will support around 200 children and their families.

READ and Arogoya Agam:

The project campaigns to improve the rights and representation of the most marginalised textile workers in Tamil Nadu, South India a garments industry hub. This phase of the work focuses on supporting migrant garment workers, who live precariously in settlements near or inside mills and factories, and experience particularly bad exploitation.

The project is working with regional state authorities, and on the ground, to track and safely register migrant workers through an app and helpline so they can access their rights, and ensure they get paid on time. The work also focuses on empowering women to build solidarity and awareness amongst the majority female workforce, by building the capacity of women leaders.

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At least 5,000 migrant workers will be supported, while legal and advocacy support will reach around 500 workers. The project also supported an additional 2,000 garment workers, particularly migrant garment workers, with access to food and medical supplies in the context of Covid. As factories closed, many garment workers became immediately destitute and in addition, inter-state migrant workers were stuck thousands of miles from their homes without any resources.

Fairtrade Foundation:

This grant supports cotton farmers at the Vasudha co-operative in Madhya Pradesh, India to breed non-GM seeds so they can have more choice over how they farm, and grow organic cotton.

AMMA and Tea Leaf Trust:

The project addresses the need for flexible and fairly paid employment for garment working mothers in Sri Lanka. It uses food waste and plants to dye fabrics naturally and the all-women team create beautiful sustainable handmade textiles, clothes, and homeware for the domestic and overseas market.

PAN UK:

Improving the environment, health, and income of small holder cotton farmers in Benin and Ethiopia by reducing their use of hazardous pesticides and fertilisers, and ultimately, growing organically. The protect supports farmers to manage crops naturally by strengthening their knowledge base with regular training in field schools, using natural cheap food sprays, intercropping, crop rotation and increasing the numbers of beneficial insects. As a result, yields and incomes will increase, while pesticides poisoning and environmental harm will decrease.

20. Analysis of net assets between funds

	Unrestricted Funds	Designated Funds	Total Funds 2022
	£	£	£
Tangible fixed assets	–	713,949	713,949
Current assets/(liabilities)	6,318,459	342,430	6,660,889
Provisions	(167,481)	–	(167,481)
	6,150,978	1,056,379	7,207,357

	Unrestricted Funds	Designated Funds	Total Funds 2021
	£	£	£
Tangible fixed assets	–	582,975	582,975
Current assets/(liabilities)	4,886,632	197,379	5,084,011
Provisions	(167,481)	–	(167,481)
	4,719,151	780,354	5,499,505

21. Analysis of changes in net debt

	At 1 Jan 2022	Cash flows	At 31 Dec 2022
	£	£	£
Cash at bank and in hand	5,242,685	1,307,665	6,550,350

22. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Not later than 1 year	1,434,801	1,244,336
Later than 1 year and not later than 5 years	3,174,517	3,575,904
Later than 5 years	1,423,253	1,847,792
	6,032,571	6,668,032

23. Related parties

There were no related party transactions in the year (2021: none).