

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

England & Wales · Charity number 297489

Details

Other names	HUMANA, TEXTILE RECYCLING FOR AID & INTERNATIONAL DEVELOPMENT, TR Aid
Status	Registered
Legal form	Charitable company
Company number	02143753
Registered	1987-08-13
Register	View on the Charity Commission register

Contact

Address	2 Westlinks Alpert on Lane Wembley Middlesex HA0 1ER
Phone	02087332580
Email	info@traid.org.uk
Website	www.traid.org.uk

Activities

Objects: A) TO CONTRIBUTE TO THE CONSERVATION AND PROTECTION OF THE PHYSICAL AND NATURAL ENVIRONMENT FOR THE PUBLIC BENEFIT THROUGH THE UNDERTAKING OF 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 FOR 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 OTHER MEANS OF PROVIDING EDUCATION SERVICES AND RESOURCES.

Activities: TR Aid is an environmental and poverty relief charity. TR Aid reduces landfill through; the provision of textile recycling facilities, its charity shops and upcycled clothing. Funds raised go to environmental and textile related international development projects and TR Aid's education programmes

developed to gain greater recycling participation and empathy with the issues surrounding global poverty.

Classification

- **How:** Makes Grants To Organisations, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** NATIONAL AND OVERSEAS
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£9,324,811	£9,429,787	£7,654,906	171
2023-12-31	£9,075,370	£7,981,424	£8,271,359	187
2022-12-31	£8,657,587	£6,949,735	£7,207,357	148
2021-12-31	£6,500,151	£5,744,445	£5,499,505	128
2020-12-31	£5,303,317	£5,691,592	£4,844,165	133

Trustees

Name	Role	Appointed
LEKHA KLOUDA	Chair	2011-09-14
ANDREW RUTHERFORD		2014-01-08
ANNA KATHARINE LOVELL		2018-06-06
Cristina Osoro Cangas		2024-03-18
IAN HAGG		
Mark Selby		2025-07-02

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

England & Wales - Charity number 297489

Accounts

Textile Reuse and International Development

Registered Charity No: 297489
Registered Company No: 02143753

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31st December 2024

**Textile Reuse and International Development
Company Limited by Guarantee
Financial Activities
31 December 2024**

Reference and administrative details

Registered charity name	Textile Reuse and International Development
Charity registration number	297489
Company registration number	02143753

Principal address and registered office	2 Westlinks Alperton Lane Wembley HA0 1ER
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Trustees

Lekha Klouda
Ian Hagg
Stephen Robertson
Andy Rutherford
Anna Lovell
Cristina Osoro Cangas (Appointed 18 March 2024)
Mark Selby (Appointed 2 July 2025)
Melinda Keegan (Resigned 11 March 2025)

Company secretary	Maria Chenoweth
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Auditor	Moore Kingston Smith LLP Chartered accountants & statutory auditor Floor 6 9 Appold Street London EC2A 2AP
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Textile Reuse and International Development
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TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees present their report and financial statements for the year ended 31 December 2024.

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) (effective from 1 January 2019).

Objectives and Activities

Textile Reuse and International Development ("TRAID") is a charity that focuses on the environmental and social problems caused by the fashion industry both in the UK and internationally.

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 the following 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 greenhouse gas emissions through reducing the amount of clothing entering the waste stream, preserving natural resources such as water and energy through extending the life cycle of clothing, providing a circular business model that funds global development programmes that are focussed on textile supply chains.

Objective a) the conservation and protection of the physical environment is met through facilitating the promotion of donating and reusing second hand 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, donations by post and London based charity shops.

The clothing that TRAID collects is hand sorted and curated by TRAID staff for resale in TRAID charity shops. To preserve natural resources, TRAID and its shops campaign and 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 prominent high street stores, product offering and price points.

As a registered charity, TRAID activities also fund international NGO projects that focus on the clothing 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 India spinning mills, providing day care centres and care for garment worker children in Bangladesh.

TRAID's educational work spans the impact of our clothes on the planet and people, how to keep our clothes in use for longer, the personal and wider benefits of shopping charity second-hand.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

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TRAID's educational activities range from community events, newsletters, social media, campaigns, news and PR platforms, panels, public addresses, working with local authorities and schools, providing university lectures including filmed materials, extending the life of our clothes through teaching repair.

Structure, Governance and Management

The Trustees

The Directors of TRAID 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
Cristina Osoro Cangos

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 the 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.

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 the documentation of TRAID risk register, audited accounts, quarterly management reports, monthly management accounts and annual budgets.

All trustees are selected for their relevant experience and expertise and largely work within relevant sectors. 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.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

Senior Management

The Senior Management Team who served during 2024 was as follows:

Maria Chenoweth	Chief Executive
Umashish Panda	Finance and HR Director
Roberto Clemente	Operations Director
Enedina Columbano	Commercial Director
Ian Sled	Head of Retail
Leigh McAlea	International Projects Manager
Jose Baladron	Head of Partnerships
Sophie Calderbank	Communications and Marketing Manager
Enrico Rizzi	Recruitment and Training 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 Senior Management operates 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, Finance/ HR Director and Operations Director to review strategic direction, organisational risk, charitable objectives and financial performance. The Board also meets annually with the Senior Management Team and with the Head of International projects manager and a nominated programme partner.

The Chair of the Board meets regularly with the Chief Executive to review the progress of the charity. During 2023 a Finance Committee was established for the purpose of investment management, as a minimum requirement the finance committee meet once a year.

Remuneration

TRAID 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.

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 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.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

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, Senior Management Team and appointed auditors. The Risk Register is reviewed annually ensuring systems and controls are in place to monitor, manage and reduce TRAIID'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 risks annually; in 2024 the following principal risks were highlighted.

Principal Risk a).

Warehousing

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

Mitigation

Warehousing was kept as an ongoing issue on the Board meeting agenda.

In line with monthly accounts, five-year financial forecasts were continually updated to indicate the reserves available towards the future cost of a warehouse. TRAIID secured a new rental warehouse in March 2024 and subsequently surrendered three of its warehousing rentals. The new warehouse based in Alpertown was in full operation from September 2024.

Principal Risk b).

Pandemics

- In 2020 TRAIID experienced its first pandemic, with the closure of shops and continued cost payments, TRAIID operated at using its reserves to fund international projects. The 2024 combined monthly operating loss of closed shops and staff costs are £565,000; with a potential furlough the monthly operating loss becomes £290K.

Mitigation

With the monies remaining from the new warehouse provision, the Board reviewed TRAIID's reserves policy to increase premise reserves from 6 to 12 months with outstanding ID commitments also added to provide additional security in the event of a future pandemic.

Grant Making Policy

TRAID makes grants to external charity partners who deliver carefully considered international development programmes. 2024 TRAIID continued its funding focus on the textile supply chain, funding over half a million pounds supporting 5 global projects, including returning to a previously funded project on child labour run by Good Weave.

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FOR THE YEAR ENDED 31 DECEMBER 2024

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

Protecting the Environment

There are currently enough clothes on the planet to dress the next six generations.

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 tons.

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 provide an alternative sustainable way to make fashion purchases through its network of charity shops; in tandem we promote passing on unworn and unwanted clothing through our network of textile banks and home collection service.

Using the carbon footprint calculator tool of WRAP Textiles 2030 the environmental benefit from TRAID's UK clothing activities are 3,900 tonnes of clothing diverted from landfill, CO2e savings of 33,226 tonnes and a water saving of 6,252,400 m3.

Public Education

During 2024, TRAID continued promoting the social and environmental issues surrounding our clothes that were delivered through online and public facing mediums including hosting 30 in-store workshops, monthly newsletters, two campaigns, good press coverage, public platforms and increased social media outreach. Public education was also given through working with local authorities, colleges, universities and fashion schools, alongside an ongoing relationship of providing materials to the Open University.

International development

In 2024 the Board approved international development funding of 5 projects in 5 countries totalling **£532,258**.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

Project Summaries 2024

1. **In-country Partner: Nagorik Uddyog**
Country/Region: Bangladesh, Dhaka

Project Summary

To protect and improve the lives of the most vulnerable children of garment working mothers by providing access to day-care and drop-in centres, enrolment in formal education, registering for birth certificates and empowering communities to better protect children by advocating for child rights. The project will: -

Support 180 children in established daycentres providing early childhood development services, birth certificate registration, education mainstreaming, and informal education.

- 80 children aged 2 – 5 to access high quality education.
- 50 older children accessing drop-in education based around their employment and studying for 3-hours per day.
- 40 children (6 – 13) mainstreamed into state school.
- 100 children receiving birth certificates (80 children plus the lag from last year)
- Rights sensitisation for garment working mothers to support them to advocate to be paid on time and to claim overtime for example.
- Parent, teacher, and child meetings to raise awareness of the importance of education, and the impact of child labour and child marriage.
- Community based gender and child rights campaigns.

2. **UK Partner / In-country partner: PAN UK / PAN Ethiopia**
Country / Region: Ethiopia / Lake Ziway Oromia Region

Project Summary

“Transitioning towards vegetable production and marketing under Agroecological Guarantee for Lake Ziway farmers and consumers.”

Helping Ethiopian vegetable farmers in Ziway to reduce and eliminate heavy use of highly hazardous pesticides (HHPs) by drawing on the successes of PAN Ethiopia’s work with thousands of cotton small-holder farmers. TRAIID’s support to date has enabled PAN Ethiopia to take this work with vegetable farmers from pilot (2018) to proof of concept in 2022, to now having trained a total of 1,240 farmers by the end of 2024. This phase will: -

- Train 1,340 farmers (30% minimum women). 100 new Farmer Field School (FFS) farmers with an expanded basic curriculum for agroecological transition, and advanced curriculum training to 1,240 trained farmers using FFS Learning Circles to build experience and knowledge of natural crop management.
- Deliver 2 new field trials on disease management without the use of any fungicides.
- Develop and test an illustrated guide for Development Agents on helping farmers to transition to agroecological vegetable production.

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FOR THE YEAR ENDED 31 DECEMBER 2024

- Help farmers access more lucrative domestic markets for sustainable vegetables such as hotels and urban centres. PAN Ethiopia will pilot an Agroecological Guarantee scheme and will develop a business plan for produce grown under this scheme to attract customers and motivate farmers.
- Help women's enterprises making food spray do so more efficiently with the help of an electric grinder. Output / demand will be monitored compared to the previous year.
- Sharing technical guidance with project staff, farmers, and the More Bees Project staff.
- Continued collaboration and feed back into local government collaborators which is hugely important to begin to mainstream agroecological approaches.

3. In-country partner: Grambangla

UK Partner: N/A

Country / Region: Bangladesh / Dhaka

Project Summary

“Providing a sustainable livelihood in the garment industry for vulnerable adolescent girls (14 – 17) to build a life away from waste picking and recycling on a landfill site.”

Grambangla is a long-standing Bangladeshi NGO and has developed a project over many years to educate the children of waste pickers working on a huge landfill site in Dhaka collecting recyclable materials for income. These workers are amongst the very poorest, and it is common for their children to become waste pickers when they grow up. The project aims to break this cycle of inter-generational poverty and extremely hazardous labour with education and training through established education centres and the Grambangla Technical Training Centre (GTTC). The project will: -

Support 60 adolescent girls to receive vocational training in tailoring and sewing, and employment links into the sector.

- Six months of accredited training.
- A nutritious meal while training, often their only proper meal of the day.
- Preparation for work through life skills and access to birth certificates which is like an identity card and necessary to get a formal job and government entitlements.
- Support 60 trained girls into work or self-employment so they earn an income to avoid working on landfill sites, child marriage and exploitative labour.
- Grambangla has well-established links with Dutch Bangla LC Packaging and credit banks to support training, regulated work, and low interest credit to set up their own business.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

4. **In-country partner: Manav Sansadhan Evam Mahila Vikas Sansthan (India) In-country partner: GoodWeave Nepal Foundation**
UK Partner: GoodWeave Foundation
Country / Region: Nepal / Bagmati Gandaki and Lumbini Province

Project Summary

“Reducing inequality and child labour in textile worker communities in India and Nepal benefitting 1,400 children.”

We are once again supporting GoodWeave, a charity which focusses on eradicating child labour from the rug, textiles, and garment sector. The project tackles both remediation, and the prevention of child labour in textile communities in India and Nepal. These communities experience serious poverty and a distrust of the public school system meaning school-age children (6 – 14) miss out on education. They drop out and look for work instead resulting in vastly reduced life chances.

GoodWeave's model addresses what it terms the ‘*educational void*’ for girls which puts them at high risk of child labour, child marriage and exploitation. A central plank of its work addresses the lack of awareness in textile communities around mental and physical well-being, health, personal ambitions, and the value of education.

GoodWeave inspections identify children being trafficked to work in textiles and on removing them from worksites, there is a long journey to rehabilitation. Some children are reunited with their family and integrated back into school. Others are orphans, or their parents can't be found, and in those cases, centre-based rehabilitation is a child's only option to live safely. The project will benefit around 1,400 children (700 will be newly enrolled, and around 700 already participating who will be able to continue): -

- Provide 800 girls aged 10 – 19 with life skill classes to deliver education around sensitive topics such as child marriage, respect and empathy, equal rights, health, nutrition, hygiene, and a focus on being agents of change in their communities.
- 3 new Motivation and Learning Centres (MLCs) set up in textile communities in India to support 570 at-risk children to improve their education and reduce the risk of child labour. (MLCs are a proven model used by GoodWeave to keep children in school by providing bridge education support for those who have fallen behind. It's a play-based method using language and number cards that does not stigmatise children.)
- In Nepal, the approach uses day-care and the ‘sponsored education programme’ (SEP) for children of weavers employed by GoodWeave licensed factories aged 3 – 6. SEP pays for older children (6 – 18) to attend school alongside enrolment support and tracking child attendance.
- 70 child labourers rehabilitated through stable educational support who have been removed from textile worksites in Nepal by GoodWeave inspectors. For those children who do not have parents or whose parents cannot at least initially be found, they will be offered a place at GoodWeave's transit home in Kathmandu where they receive residential care, and an accelerator programme to catch up with learning.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

5. In-country partner: OBEPAB
UK Partner: PAN UK
Country / Region: Benin / West Africa

Project Summary

“Cultivating Benin’s organic cotton sector for better livelihoods, health and environment.”

With TRAIID’s investment and support since 2009, OBEPAB with PAN UK has proven beyond doubt that organic cotton production is hugely beneficial to farmers and rural communities. Our commitment has helped OBEPAB scale up to double the size of its operation to support thousands more farmers to grow organic by attracting substantial additional funding from GIZ (the German Government) which began in 2021 ending in Nov 2024. This round of TRAIID funding will enable OBEPAB to sustain the project as it stands in a transition period and PAN UK already has strong interest from the United Nations Environment Programme to support this successful work. This phase of the will: -

Provide **9,000 organic cotton farmers** with technical regular Farmer Field School (FFS) support including one farm visit.

- Train 50 Lead Farmers in FFS methodology to provide teaching and support for new farmers.
- 2,722 cotton farmers transitioned into organic production.
- 6,278 certified organic farmers receiving continuing support in organic cotton production and crop rotation.
- Continued support for small cotton producers to access markets for organic cotton with certification support (the process is costly and complex).
- 7854+ cotton farmers secure organic certification.
- 7854+ farmers sell organic cotton at a 20% premium over the conventional price.
- Diversity of income for smallholder cotton producers so they are not reliant on a single cash crop. E.g., Supporting shea butter cooperatives and organic soya production alongside literacy, numeracy, and business training.
- Women and girls continue to be empowered across the project including help to access land to grow cotton and other crops, education and training, sensitisation of women’s rights, increasing women in responsible roles in Cooperative committees.
- Sharing good practice and the successes of Benin’s growing organic cotton sector including training 50 people from key universities, farmers organisations, extension services to further understand the benefits of OBEPAB’s model to grow awareness and support for an expansion of the organic cotton sector.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

Financial Review

For the year ended 31st December 2024, TRAIID had incoming resources of £9,324,811 up 3% on the previous year (2023: £9,075,370), reflecting the ongoing strength of the retail revenue stream. Total resources expended were £9,429,787, up 16% on the previous year (2023: £8,096,805), largely reflecting increased investment in staff and premises to support the revenue generating activities and increased investment in overseas projects.

At 31st December 2024 net assets amounted to £7,654,906 (2023: £7,826,809) of which general unrestricted funds totalled £6,725,217 (2023: £4,282,677) and designated funds totalled £929,689 (2023: £3,544,132). TRAIID's bank & investment fund balance was £6,989,150 (2023: £7,489,380). This balance was sufficient to cover the charity's reserve requirement as per TRAIID's reserves policy and the outstanding development funding commitments of £455,383.

Plans for the future

2025 will be the year that TRAIID works towards mitigating an unprecedented increase in expenditure such as National insurance, utilities, and staff living wage costs; this will be achieved laying the foundation of increasing our fundraising and environmental impact through TRAIID retail and an investment portfolio.

TRAIID will continue its brand refresh ensuring that our tone of voice, brand and product is appealing to all demographics with an overarching aim to engage the public further with our activities, ensuring inclusivity to our mission, second hand clothing and charity retail. TRAIID will also aim to increase sustainable clothing consumption by driving more footfall through TRAIID retail, both in existing, new and pop up shops.

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

TRAIID will continue its public engagements and socials whilst increasing its university relationships that will include the in-depth analysis of the outcome of the Childhope project, which will be the subject of PHD research.

TRAIID 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. TRAIID 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 and TRAIID communications will continue to deliver educational material.

Staff and Volunteering contribution

TRAIID continues to be an accredited London living wage employer, providing employment for 171 staff.

Volunteer input during 2024, were 680 hours. No value has been assigned to these hours.

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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 and to cope with unforeseen risks, such as those that arose during the Covid-19 pandemic. The charity's reserves policy was updated in 2024 taking account of current risks and the operating environment. Based on good practice, in 2024 TRAIID's reserves retained totalled £5,787,276, consisting of a six-month operating cost of £4,234,889, an additional six-month fixed premises cost of £1,000,000, and outstanding ID commitments of £552,387.

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

Investment Policy

It is the policy of the Trustees to invest its surplus reserves in a mix of short-term and long-term portfolios. The trustees can understand and tolerate the volatility of the financial market and will monitor the performance on a quarterly basis. The maximum risk level set for the charity is 4 (medium). The time horizon for the short-term liquidity portfolio is up to one year. The time horizon for the long-term investment portfolio is more than five years. The trustees adopt an exclusionary policy to provide greater transparency on Environmental, Social and Governance (ESG) related issues within the portfolio.

The value of TRAIID's investments stood at £6,652,941 as of 31st December 2024.

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.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2024

Disclosure of information to auditors

Each of the trustees have confirmed that there is no information that they are aware of 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

Moore Kingston Smith LLP 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.

29 Oct 2025

The Trustees' report, including the strategic report, was approved by the board of Trustees on
and signed on its behalf by:

Lekha Klouda
Chair of Trustees



Lekha Klouda (Oct 29, 2025,
10:00am)

Company registration number: 02143753

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

Opinion

We have audited the financial statements of Textile Reuse and International Development ('the company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly 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 charitable company 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 related 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 charitable company'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.

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 contained within the annual report. 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.

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 course of 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 themselves. 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.

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

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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit. or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' annual report and from preparing a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the charitable company 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.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Auditor's Responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs (UK) we exercise professional judgement 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 purposes of expressing an opinion on the effectiveness of the charitable company's 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 charitable company'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 charitable company 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.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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 objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Moore Kingston Smith LLP

.....
Samir Chandoo (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Date: 30 October 2025

6th Floor
9 Appold Street
London
EC2A 2AP

Textile Reuse and International Development
Statement of Financial Activities
For the year ended 31 December 2024

		2024		2023
	Note	Unrestricted	Total Funds	As restated
Income and endowments				
Charitable activities	5	9,073,608	9,073,608	8,952,339
Investment income	6	251,203	251,203	123,031
Total income		9,324,811	9,324,811	9,075,370
Expenditure				
Expenditure on charitable activities	8,9	9,429,787	9,429,787	8,097,222
Other expenditure	12	-	-	(417)
Total expenditure		9,429,787	9,429,787	8,096,805
(Loss)/Gain on investment	19	(66,927)	(66,927)	-
Net income and net movement in funds		(171,903)	(171,903)	978,565
Reconciliation of funds				
Total funds brought forward		7,826,809	7,826,809	6,848,244
Total funds carried forward		7,654,906	7,654,906	7,826,809

The notes on pages 23 to 33 form part of these financial statements.

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

Textile Reuse and International Development
Balance Sheet
As at 31 December 2024

		2024	2023
			As restated
	Note	£	£
Fixed assets			
Tangible fixed assets	16	929,689	553,900
Current assets			
Investments	19	6,652,941	-
Debtors	17	1,199,753	809,129
Cash at bank and in hand		336,209	7,489,380
		<u>1,535,962</u>	<u>8,298,509</u>
Creditors: amounts falling due within one year	18	<u>(1,296,205)</u>	<u>(858,119)</u>
Net current assets		<u>239,757</u>	<u>7,440,390</u>
Total assets less current liabilities		<u>7,822,387</u>	<u>7,994,290</u>
Provisions	20	<u>(167,481)</u>	<u>(167,481)</u>
Net assets		<u><u>7,654,906</u></u>	<u><u>7,826,809</u></u>
Funds of the charity			
Unrestricted funds:			
Designated funds		929,689	3,544,132
General unrestricted funds		6,725,217	4,282,677
Total charity funds	22	<u><u>7,654,906</u></u>	<u><u>7,826,809</u></u>

The notes on pages 23 to 33 form part of these financial statements.

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 , and are signed on behalf of the board by:

Lekha Klouda
Chair of Trustees



Lekha Klouda (Oct 29, 2025, 10:06am)

Company registration number

02143753

Textile Reuse and International Development
Statement of Cash Flows
Year ended 31 December 2024

	2024	2023
	£	£
Cash flows from operating activities		
Net income	(171,903)	978,565
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	345,433	305,001
Other interest receivable and similar income	(251,203)	(123,031)
(Gain) / loss on investments	66,927	-
<i>Changes in:</i>		
Trade and other debtors	(390,624)	(211,293)
Trade and other creditors	438,086	41,653
Cash generated from operations	36,716	990,895
Net cash from operating activities	36,716	990,895
Cash flows from investing activities		
Purchase of tangible assets	(721,222)	(174,896)
Purchase of listed investments	(7,855,123)	-
Sale of listed investments	1,135,245	-
Interest received	251,203	123,031
Net cash used in investing activities	(7,189,897)	(51,865)
Net (decrease)/ increase in cash and cash equivalents	(7,153,181)	939,030
Cash and cash equivalents at beginning of year	7,489,380	6,550,350
Cash and cash equivalents at end of year	336,209	7,489,380

The notes on pages 23 to 33 form part of these financial statements.

Textile Reuse and International Development
Notes to the financial statements
Year ended 31 December 2024

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 2 Westlinks Alperton Lane, Wembley, HA0 1ER.

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

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus, in absence of any material uncertainties, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

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 £90,014 (2023: £90,634). 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 Textile Reuse and International Development (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.

Textile Reuse and International Development
Notes to the financial statements
Year ended 31 December 2024

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.

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.

Incoming Resources

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

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

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

Textile Reuse and International Development
Notes to the financial statements
Year ended 31 December 2024

Fund accounting

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

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

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

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.

Pension costs

Staff and pension costs are recognised as incurred with all associated costs. The retirement benefits for specific employees of the trust are provided by a money purchase scheme. The Trust's obligation is restricted to their contributions.

Textile Reuse and International Development
Notes to the financial statements
Year ended 31 December 2024

4. Limited by guarantee

The charity is a company limited by guarantee. The members of the company are the trustees named on page 2. 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

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Retail sales	7,779,555	7,779,555	7,748,442	7,748,442
Wholesale sales	1,109,763	1,109,763	1,106,663	1,106,663
Other income	184,290	184,290	97,234	97,234
	<u>9,073,608</u>	<u>9,073,608</u>	<u>8,952,339</u>	<u>8,952,339</u>

Charitable income is from diverting clothes and shoes from landfill.

6. Investment income

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Interest receivable	<u>251,203</u>	<u>251,203</u>	<u>123,031</u>	<u>123,031</u>

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Diverting clothes shoes from landfill	8,119,071	8,119,071	7,155,497	7,155,497
Overseas development projects	532,258	532,258	539,726	539,726
Support cost	778,458	778,458	401,999	401,999
	<u>9,429,787</u>	<u>9,429,787</u>	<u>8,097,222</u>	<u>8,097,222</u>

Textile Reuse and International Development
Notes to the financial statements
Year ended 31 December 2024

8. Expenditure on charitable activities by activity type

	Activities undertaken directly	Grant funding of activities	Support cost	Total Funds 2024	Total Funds 2023
	£	£	£	£	£
Diverting clothes and shoes from landfill	8,119,071	-	757,608	8,876,679	7,542,496
Overseas development projects	-	532,258	-	532,258	539,726
Governance cost	-	-	20,850	20,850	15,000
	-	-	778,458	9,429,787	8,097,222

9. Analysis of support costs

	Total 2024	Total 2023
	£	£
Staff costs	556,797	303,916
Governance cost	20,850	15,000
Depreciation	4,002	1,990
Other costs	196,809	81,093
	<u>778,458</u>	<u>401,999</u>

10. Analysis of grants

	2024	2023
	£	Restated £
Grant to institutions		
Pan UK	374,687	431,623
Nagorik	71,925	69,000
Grambangla	25,646	24,703
Goodweaves	60,000	-
Other grants awarded	-	14,400
	<u>532,258</u>	<u>539,726</u>

Textile Reuse and International Development
Notes to the financial statements
Year ended 31 December 2024

11. Other expenditure

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
(Gains)/loss on disposal of tangible fixed assets held for charity's own use	-	-	(417)	(417)

12. Net income

Net income is stated after charging/(crediting):

	2024 £	2023 £
Depreciation of tangible fixed assets	345,433	305,001
Loss on disposal of tangible fixed assets	-	(417)

13. Auditors remuneration

	2024 £	2023 £
Fees payable for the audit of the financial statements	20,850	15,000

14. Staff costs

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

	2024 £	2023 £
Wages and salaries	3,931,349	3,796,579
Social Security Costs	342,494	323,396
Pension Costs	76,768	81,277
	4,350,611	4,201,252

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 2024 were £76,768 (2023: £81,277).

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 and HR Director, Commercial Director, Operations Director, Head of Retail, International Projects Manager, Head of Partnerships, Communications and MArketing Manager, and Recruitment Training Manager.

Total benefits received by the key management personnel in the year amounted to £556,797 (2023: £528,832).

Textile Reuse and International Development
Notes to the financial statements
Year ended 31 December 2024

14. Staff costs (continued)

The average head count of employees during the year was 171 (2023: 187). The average number of full-time equivalent employees during the year is analysed as follows:

	2024	2023
	No.	No.
Shops	110	125
Collecting, sorting and distribution	55	52
Management and administration	5	9
Recycling	1	1
	171	187

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

	2024	2023
	No.	No.
£60,000 to £69,999	0	1
£70,000 to £79,999	1	2
£80,000 to £89,999	1	0
£120,000 to £129,999	1	1
	3	4

15. Trustee remuneration and expenses

None of the trustees received remuneration for their services during the year (2023: £nil). None of the trustees were reimbursed for any expenses during the year (2023: £nil).

The charitable company paid for trustee indemnity insurance during the year for the premium of £530 (2023: £451).

Textile Reuse and International Development
Notes to the financial statements
Year ended 31 December 2024

16. Tangible fixed assets

	Long Leasehold property	Containers	Motor Vehicles	Fixtures, fittings and equipment	Total
Cost	£	£	£	£	£
At 1 January 2024	167,481	493,175	649,760	1,931,764	3,242,180
Additions	-	-	77,454	643,768	721,222
Disposals					
At 31 December 2024	167,481	493,175	727,214	2,575,532	3,963,402
Depreciation					
At 1 January 2024	119,064	493,175	536,270	1,539,771	2,688,280
Charge for the year	4,002	-	78,778	262,653	345,433
Disposals					
At 31 December 2024	123,066	493,175	615,048	1,802,424	3,033,713
Carrying amount					
At 31 December 2024	44,415	-	112,166	773,108	929,689
At 31 December 2023	48,417	-	113,490	391,993	553,900

17. Debtors

	2024	2023
	£	£
Trade debtors	107,419	56,095
Prepayments and accrued income	606,648	464,489
VAT debtor	199,005	-
Other debtors	286,681	288,545
	1,199,753	809,129

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

	2024	2023
	£	£
Other debtors	286,681	288,545

Other debtors 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.

Textile Reuse and International Development
Notes to the financial statements
Year ended 31 December 2024

18. Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade Creditors	382,155	205,234
Accruals and Deferred income	375,966	208,335
Grant commitments	455,383	444,550
Social Security and other taxes	82,701	-
	<u>1,296,205</u>	<u>858,119</u>

19. Investments

	2024	2023
	£	£
Opening balance as at 1 January 2024	-	-
Additions in the period	7,855,123	-
Disposals at cost in the period	(1,135,245)	-
Gain/loss on investments	(66,927)	-
Closing value as at 31 December 2024	<u>6,652,941</u>	<u>-</u>

20. Provisions

	Dilapidations
	£
At 1 January 2024 and 31 December 2024	<u>167,481</u>

21. 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 2024 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 2024 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 2024	Resources expended	Transfers	Balance at 31 December 2024
	£	£	£	£
Fixed Asset Fund	553,900	(345,433)	721,222	929,689
Pan UK	352,375	(352,375)	-	-
Amit Consultancy	10,800	(10,800)	-	-
READ	83,057	(83,057)	-	-
Grambangla Unnayan Committee	10,000	(10,000)	-	-
Nagorik Uddyog	34,000	(34,000)	-	-
Warehouse Fund	2,500,000	-	(2,500,000)	-
	<u>3,544,132</u>	<u>(835,665)</u>	<u>(1,778,778)</u>	<u>929,689</u>

Textile Reuse and International Development
Notes to the financial statements
Year ended 31 December 2024

21. Analysis of charitable funds (continued)

Fixed Assets Fund:

This represents the net book value of the fixed assets at 31 December 2024.

22. Analysis of net assets between funds

	Unrestricted Funds £	Designated Funds £	Total Funds 2024 £
Fixed Assets	-	929,689	929,689
Investments	6,652,941	-	6,652,941
Current assets/(liabilities)	239,757	-	239,757
Provisions	(167,481)	-	(167,481)
	<u>6,725,217</u>	<u>929,689</u>	<u>7,654,906</u>

	Unrestricted Funds As restated £	Designated Funds £	Total Funds 2023 As restated £
Fixed assets	-	553,900	553,900
Investments	-	-	-
Current assets/(liabilities)	4,450,158	2,990,232	7,440,390
Provisions	(167,481)	-	(167,481)
	<u>4,282,677</u>	<u>3,544,132</u>	<u>7,826,809</u>

23. Prior year adjustments

The prior period adjustment reflects the underaccrual of grant commitments for the 2023 year.

Year ended 31 December 2023

	As previously reported	Adjustment	As restated
Balance Sheet			
Creditors	413,569	444,550	858,119
Unrestricted Reserves	4,727,227	(444,550)	4,282,677
Total reserves	8,271,359	(444,550)	7,826,809
Statement of Financial Activity			
Expenditure on charitable activities	7,981,841	115,381	8,097,222

Textile Reuse and International Development
Notes to the financial statements
Year ended 31 December 2024

24. Analysis of changes in net debt

	At 1 Jan 2024	Movement in cash	At 31 Dec 2024
	£	£	£
Cash at bank and in hand	7,489,380	(7,153,171)	336,209

25. Operating lease commitments

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

	2024	2023
	£	£
Not later than 1 year	1,649,500	1,302,368
Later than 1 year and not later than 5 years	7,471,263	2,634,497
Later than 5 years	6,718,748	1,557,781

26. Related parties

The charity is contracted with Super.mkt CIC. The Chief Executive Officer is a member and director at Super.mkt CIC. There was £748,426 (2023:£415,508) of retail income generated through this partnership with associated commission costs of £157,448 (2023: £83,102).

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

England & Wales - Charity number 297489

Accounts

COMPANY REGISTRATION NUMBER: 02143753

CHARITY REGISTRATION NUMBER: 297489

**Textile Reuse and International Development
Company Limited by Guarantee
Financial Statements
31 December 2023**

LEAMAN MATTEI

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

Textile Reuse and International Development
Company Limited by Guarantee
Financial Statements
Year ended 31 December 2023

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Textile Reuse and International Development

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31 December 2023

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 2023.

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

	Lekha Klouda	
	Ian Hagg	
	Stephen Robertson	
	Andy Rutherford	
	Anna Lovell	
	Neil Carrett	(Resigned 19 June 2023)
	Melinda Keegan	
	Cristina Osoro Cangas	(Appointed 18 March 2024)

Company secretary Maria Chenoweth

Auditor Leaman Mattei
Chartered accountants & statutory auditor
Suite 1, First floor
1 Duchess Street
London
W1W 6AN

Textile Reuse and International Development

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2023

Structure, governance and management

1. The Trustees

The Directors of TRAIID (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 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 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.

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 TRAIID's risk register, audited accounts, quarterly management reports and annual budgets.

All trustees are selected for their relevant experience and expertise and largely work within relevant sectors. TRAIID 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.

Textile Reuse and International Development

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2023

Structure, governance and management *(continued)*

3. Senior Management

The Senior Management Team who served during 2023 was as follows:

Maria Chenoweth	Chief Executive
Umashish Panda	Finance Manager
Enedina Columbano	Commercial Director
Leigh McAlea	International 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 operates 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.

Textile Reuse and International Development

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2023

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

As stated in its Memorandum and Articles of Association, the purposes for which TRAIID 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 TRAIID's activities have environmental and social benefits including reducing the amount of clothing entering the waste stream for the purposes of: reducing green-house gas emissions generated by clothing in landfill, reducing the need for new natural resources through extending the life cycle 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. TRAIID 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 TRAIID collects is hand sorted by TRAIID staff for resale in TRAIID shops. To preserve natural resources TRAIID shops promote wearing and buying second hand fashion over new.

TRAID shops cater for a broad demographic, making secondhand 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, TRAIID's activities also fund international NGO projects that focus on the clothing supply chain.

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

TRAID's educational dissemination ranges from community events, newsletters, social media, news and PR platforms, panels, public addresses, working with local authorities and schools, providing university lectures and filmed materials.

Textile Reuse and International Development

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2023

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 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. In addition, any new risks are identified in the quarterly management reports circulated to the Board.

Principal Risks

TRAID reviews its risks annually; in 2023 the following principal risks were highlighted which are being managed through our risk management policy and strategies.

- With the end of the warehouse lease approaching in 2025, poor market conditions for acquiring replace warehousing was identified as a principal risk.
- In 2020 TRAIID experienced its first pandemic, with the closure of shops and continued cost payments, TRAIID operated at a loss and used its reserves to fund international projects. The 2023 monthly operating loss of closed shops and staff costs are £460,000; with furlough the monthly operating loss being £255K.

TRAID managed these principal risks by the following ways:

1. Warehousing

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 TRAIID's financial projections. In line with monthly accounts, five year financial forecasts were continually updated to indicate the reserves available towards the cost of a warehouse. Ring fenced reserves allow for future warehousing options.

2. Pandemics

The Board agreed to review TRAIID's reserves policy to ensure the charity's good health and

Textile Reuse and International Development

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2023

ability to fund established international projects.

Grant Making Policy

TRAID makes grants to external charity partners who deliver carefully considered international development programmes. In 2023, TRAID continued to mainly focus its funding on the social and environmental impacts of clothing and broadened its programme learning to spread to organic vegetable agriculture to mitigate the risk of farmers being dependent on one crop, TRAID also took over funding the education of waste picker children who work on dangerous Bangladesh landfill sites, including teaching tailoring skills.

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

There are currently enough clothes on the planet to dress the next six generations.

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 tons.

WRAP states that for every three items of secondhand clothing purchased, one new item of clothing will not be purchased, meaning secondhand 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 2023 the environmental benefit of TRAID collections and retail was a carbon saving of 29,027 tons and 5,400,000,000 litres of water.

2. Public Education

During 2023, TRAID promoted the issues surrounding clothing through online and public facing mediums including maintaining the distribution of regular newsletters, increased press coverage and public platforms. Public education was given through local authority activities, CEO engagements and an increased relationship with the Open University where TRAID provided talks, engagement, and materials and film for master's level students.

3. International development

The funding payments made during 2023 were £122,966. In 2023 the Board approved international development funding of 5 projects in 4 countries totaling £578,190.

Textile Reuse and International Development

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2023

Achievements and performance *(continued)*

Some key moments in 2023 relating to international development funding include it being the first year since Covid that TRAID returned to funding all our partners for longer than a year if they choose; agreement to fund Nagorik Uddyog and Grambangla directly due to the closure of UK partner Childhope; and continuing to include Ethiopian vegetable growers in our funding remit so they can also benefit from more than a decade of work with cotton farmers to create a robust participatory model to reduce pesticide use.

Project Summaries

PAN Ethiopia & PAN UK Funding summary

- £262,511, 2023 - 2025 (2 years)
- Taking place in Ethiopia in the Gamo Gofo and Welaita Zones
- Project partners are PAN UK and PAN Ethiopia
- Aims to support 7,775 Ethiopian cotton farmers
- Developing the learning model called Farmer Field Schools where farmers find out how to reduce and end toxic dangerous pesticide use on their crops. It's already extremely successful combining on the ground group learning in cotton fields, with individual farm visits by the project team. The next step will be to create more experienced lead farmers to support less experienced farmers, known as follower farmers
- Future proofing farmers against unpredictable impacts of climate change. The project does this by encouraging farmers to diversify crops grown alongside cotton - things like plantain, shea nuts, soya, haricot beans, mange tout and other vegetables. It provides food security. It spreads out the season giving farmers a better chance of getting a good harvest even if one crop fails. Farmers are not dependent on the success of only one crop. Farmers have multiple income streams from different crops
- Women's microbusinesses will be improving the quality of organic cotton seed.

PAN Ethiopia & PAN UK Funding summary

- £38,464, 2023 - 2024 (1 year)
 - Ethiopia in the Ziway region
 - Project partners are PAN UK and PAN Ethiopia
 - Helping vegetable growers to benefit from the successes of pesticide reduction we have seen with cotton farmers in Ethiopia
 - Extending the benefits, evidence based experience, project expertise, peer support to other farmers
 - Very important because Ethiopian vegetable farmers use very massive quantities of hazardous pesticides to grow, impacting health, destroying soil and reducing farmer incomes
 - TRAID funded a pilot project in 2018 to the pesticide reduction model used by cotton farmers to work with vegetable growers. We then funded a one-year project in 2022, and are continuing to fund this work in 2023.
 - It's been a success so far with 25% of participating vegetable farmers using no hazardous pesticides at all, and a 73% reduction in overall pesticide spraying by farmers. And their vegetable yields have been excellent.
 - The vegetables grown are valuable cash crops sold in local markets and provide food for farmers and their families. They are also used as rotation crops with cotton.
-

Textile Reuse and International Development

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2023

Achievements and performance *(continued)*

OBEPAB & PAN UK Funding summary

- £169,112, 2023 - 2025 (18 months)
- Benin, West Africa
- Project partners are PAN UK and OBEPAB
- Supporting 9,000 organic cotton farmers in Benin to manage crops organically using the Farmer Field School model (in field group and individual training to grow organic)
- More training for OBEPAB's field staff. In the last phase of the project, the staff doubled in size so they can support more farmers. It's important that staff training is regular and kept up to date on things like new content being taught in Farmer Field Schools and organic certification.
- Farmers organised across 60 organic cooperatives will be supported to meet and maintain certification criteria so over 8,000 farmers can secure certification and the 20% premium for organic crops.
- Crop diversification - as in Ethiopia, this organic farming model strives to end single crop dependency. Instead growing a range of crops for food, to be sold, and to set up small businesses - such as making Shea Butter from shea nuts.

Nagorik Uddyog and Childhope Funding summary

- £69,000, 2023 - 2024 (1 year)
- Dhaka, Bangladesh
- Project partner is Nagorik Uddyog
- Supporting 180 very vulnerable children of garment working mothers by looking after them in day care centres
- Without this care, these children would be left alone and at risk, or separated from their mothers when they leave villages to travel to Dhaka for work
- The centres provide high quality care, education, good food and health checks for 80 children aged 2 - 5. At least 40 children will be helped to get into state primary school
- The centres also provide 100 street and working children aged 6 - 16 with drop in literacy and maths skills, life skills and rights training. These children are working to supplement family incomes. The centre staff will work with parents and employers to make sure these children can attend the drop in classes. They target those involved in the most hazardous labour like tanning or metal work or construction.
They receive education, food, and mentoring. Around 40 will be helped into state schools, while others will be supported into safer work.
- Parents are also supported to get a birth certificate for their child. It's a very important document essential for accessing state education, health, and helping to prevent early marriage or child labour.

Textile Reuse and International Development

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2023

Achievements and performance *(continued)*

Grambangla Funding summary

- £24,703, 2023 - 2024 (1 year)
- Matuail, Dhaka, Bangladesh
- Project partner is Grambangla
- Supporting 60 adolescent girls (14 - 17 years) working in very dangerous conditions as waste pickers on a landfill site in Bangladesh
- These funds will help Grambangla to provide these children with vocational / skills training to get employment away from the landfill sites
- These children's parents are waste pickers, and their children end up also working on the landfill site to make more money for the family
- The landfill site brings in rubbish from the city, and the waste pickers sort through to collect things like cow horns, metal, glass and plastics, which they then sell for money by weight and type. It's very dangerous and unhygienic work. Workers also must navigate large vehicles which are shovelling and compacting waste. Life changing and fatal accidents are common
- Each girl receives six-months training in tailoring and sewing at the Grambangla Technical Training Centre, registered in 2016 with the Bangladesh Technical Education Board. Participants also receive a nutritious meal while training.
- Girls are then supported into employment and typically, go from earning around £30 per month picking waste, to over £70 per month in safer employment

Financial review

For the year ended 31st December 2023, TRAIID had incoming resources of £9,075,370 up 4.8% on the previous year (2022: £8,657,587), reflecting the ongoing strength of the retail revenue stream. Total resources expended were £7,981,424, up 14.8% on the previous year (2022: £6,949,735), largely reflecting increased investment in staff to support the revenue generating activities and increased investment in overseas projects.

At 31st December 2023 net assets amounted to £8,271,359 (2022: £7,177,413) of which general unrestricted funds totalled £4,727,227 (2022: £4,150,978) and designated funds totalled £3,544,132 (2022: £3,026,435). TRAIID's bank balance was £7,489,380. This balance was sufficient to cover the six months operating costs (estimated to be £4m) as per TRAIID's reserves policy.

Plans for future periods

2024 will be the year that TRAIID resolves its warehousing, securing a new lease and moving to a new location.

TRAIID will review its reserves policy to ensure good organisational financial health in light of the uninsurable event of another pandemic.

TRAIID will invest in its estate, to include carrying out maintenance works and updating its retail brand.

TRAIID will invest in a brand refresh, ensuring its tone of voice, brand and product is inclusive to all demographics ensuring inclusivity to the power of second hand and charity retail.

Textile Reuse and International Development

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2023

Plans for future periods *(continued)*

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 its financial planning. 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.

TRAID will continue its public engagements and socials whilst increasing its university relationships that will include the in-depth analysis of the outcome of the Childhope project, which will be the subject of PHD research.

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

Staff and Volunteering contribution

TRAID continues to be an accredited London living wage employer, providing employment for 187 staff.

Volunteer input increased during 2023, 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, such as those that arose during the Covid-19 pandemic. Based on good practice, in 2023 general reserves of six-month operating costs totaling £4m 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 new warehousing, making the charity's operations more secure and resilient in the long-term. To that end additional reserves are being built up to enable a new purchase or rental to be made; during 2023 these additional reserves amounted to £2.5m. 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.

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

Going Concern

In line with 2023, a financial projection has been produced covering October 2024 to September 2025 profit, loss, cash flow and reserves.

Textile Reuse and International Development

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2023

Plans for future periods *(continued)*

The financial projection runs from October 2024 to September 2025 based on actual 2023 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 no remedial action, the forecast gives a projected surplus for the period of £1,163,264.

Factoring the projected new spending of £713,796 the bottom line becomes £449,468.

This scenario leaves the charity with a positive concluding cash balance of £7,773,287 covering TRAIID'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.

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.

Textile Reuse and International Development

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2023

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.

The trustees' annual report (incorporating the directors' report) and the strategic report were approved on 27 September 2024 and signed on behalf of the board of trustees by:

Signed by:

2B1C4580E1E9402...
Lekha Klouda
Trustee

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 2023

Opinion

We have audited the financial statements of Textile Reuse and International Development (the 'charity') for the year ended 31 December 2023 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 2023 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.

Textile Reuse and International Development

Company Limited by Guarantee

Independent Auditor's Report to the Members of Textile Reuse and International Development *(continued)*

Year ended 31 December 2023

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.

Textile Reuse and International Development

Company Limited by Guarantee

Independent Auditor's Report to the Members of Textile Reuse and International Development *(continued)*

Year ended 31 December 2023

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.

Textile Reuse and International Development

Company Limited by Guarantee

Independent Auditor's Report to the Members of Textile Reuse and International Development *(continued)*

Year ended 31 December 2023

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,

Textile Reuse and International Development

Company Limited by Guarantee

Independent Auditor's Report to the Members of Textile Reuse and International Development *(continued)*

Year ended 31 December 2023

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.
-

Textile Reuse and International Development

Company Limited by Guarantee

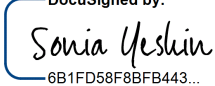
Independent Auditor's Report to the Members of Textile Reuse and International Development *(continued)*

Year ended 31 December 2023

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:

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Sonia Yeshin (Senior Statutory Auditor)

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

27 September 2024

Textile Reuse and International Development

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 December 2023

		2023		2022
		Unrestricted funds	Total funds	Total funds
	Note	£	£	£
Income and endowments				
Charitable activities	5	8,952,339	8,952,339	8,423,410
Investment income	6	123,031	123,031	34,177
Other income	7	–	–	200,000
Total income		<u>9,075,370</u>	<u>9,075,370</u>	<u>8,657,587</u>
Expenditure				
Expenditure on charitable activities	8,9	7,981,841	7,981,841	6,949,735
Other expenditure	12	(417)	(417)	–
Total expenditure		<u>7,981,424</u>	<u>7,981,424</u>	<u>6,949,735</u>
Net income and net movement in funds		<u>1,093,946</u>	<u>1,093,946</u>	<u>1,707,852</u>
Reconciliation of funds				
Total funds brought forward		7,177,413	7,177,413	5,469,561
Total funds carried forward		<u>8,271,359</u>	<u>8,271,359</u>	<u>7,177,413</u>

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 22 to 33 form part of these financial statements.

Textile Reuse and International Development

Company Limited by Guarantee

Statement of Financial Position

31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	17	553,900	684,005
Current assets			
Debtors	18	809,129	637,694
Cash at bank and in hand		7,489,380	6,550,350
		8,298,509	7,188,044
Creditors: amounts falling due within one year	19	413,569	527,155
Net current assets		7,884,940	6,660,889
Total assets less current liabilities		8,438,840	7,344,894
Provisions	20	167,481	167,481
Net assets		8,271,359	7,177,413
Funds of the charity			
Unrestricted funds:			
Designated funds		3,544,132	3,026,435
General unrestricted funds		4,727,227	4,150,978
Total unrestricted funds		8,271,359	7,177,413
Total charity funds	21	8,271,359	7,177,413

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 27 September 2024, and are signed on behalf of the board by:

Signed by:

 2B1C4580E1E9402...
 Lekha Klouda
 Trustee

The notes on pages 22 to 33 form part of these financial statements.

Textile Reuse and International Development

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 December 2023

	2023 £	2022 £
Cash flows from operating activities		
Net income	1,093,946	1,707,852
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	305,001	294,494
Other interest receivable and similar income	(123,031)	(34,177)
Accrued income	(39,858)	(7,034)
<i>Changes in:</i>		
Trade and other debtors	(171,435)	(26,703)
Trade and other creditors	(73,728)	(235,476)
Cash generated from operations	990,895	1,698,956
Net cash from operating activities	990,895	1,698,956
Cash flows from investing activities		
Purchase of tangible assets	(174,896)	(433,851)
Proceeds from sale of tangible assets	—	8,383
Interest received	123,031	34,177
Net cash used in investing activities	(51,865)	(391,291)
Net increase in cash and cash equivalents	939,030	1,307,665
Cash and cash equivalents at beginning of year	6,550,350	5,242,685
Cash and cash equivalents at end of year	7,489,380	6,550,350

The notes on pages 22 to 33 form part of these financial statements.

Textile Reuse and International Development

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 December 2023

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 £90,634 (2022: £91,746). 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 TRAIID'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.

Textile Reuse and International Development

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

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.

Textile Reuse and International Development

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

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.

Textile Reuse and International Development

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

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 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

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Retail sales	7,748,442	7,748,442	7,119,222	7,119,222
Wholesale sales	1,106,663	1,106,663	1,133,870	1,133,870
Other income	97,234	97,234	170,318	170,318
	<u>8,952,339</u>	<u>8,952,339</u>	<u>8,423,410</u>	<u>8,423,410</u>

Charitable income is from diverting clothes and shoes from landfill.

6. Investment income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Interest receivable	<u>123,031</u>	<u>123,031</u>	<u>34,177</u>	<u>34,177</u>

7. Other income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Landlord compensation	<u>—</u>	<u>—</u>	<u>200,000</u>	<u>200,000</u>

Textile Reuse and International Development

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Diverting clothes and shoes from landfill	7,155,497	7,155,497	6,006,460	6,006,460
Overseas development projects	424,345	424,345	395,914	395,914
Support costs	401,999	401,999	547,361	547,361
	<u>7,981,841</u>	<u>7,981,841</u>	<u>6,949,735</u>	<u>6,949,735</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2023 £	Total fund 2022 £
Diverting clothes and shoes from landfill	7,155,497	–	386,999	7,542,496	6,539,321
Overseas development projects	–	424,345	–	424,345	395,914
Governance costs	–	–	15,000	15,000	14,500
	<u>7,155,497</u>	<u>424,345</u>	<u>401,999</u>	<u>7,981,841</u>	<u>6,949,735</u>

10. Analysis of support costs

	Support costs £	Total 2023 £	Total 2022 £
Staff costs	303,916	303,916	396,283
Governance costs	15,000	15,000	14,500
Depreciation	1,990	1,990	8,200
Other costs	81,093	81,093	128,378
	<u>401,999</u>	<u>401,999</u>	<u>547,361</u>

11. Analysis of grants

	2023 £	2022 £
Grants to institutions		
Pan UK	283,451	273,444
ChildHope	77,221	66,968
Arogya Agam	4,838	–
READ - Rights Education and Development Centre	58,835	50,502
AMMA & Tea Leaf Trust	–	5,000
	<u>424,345</u>	<u>395,914</u>
Total grants	<u>424,345</u>	<u>395,914</u>

Textile Reuse and International Development

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

12. Other expenditure

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
(Gain)/loss on disposal of tangible fixed assets held for charity's own use	(417)	(417)	—	—

13. Net income

Net income is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	305,001	294,494
Gains on disposal of tangible fixed assets	(417)	—

14. Auditors remuneration

	2023 £	2022 £
Fees payable for the audit of the financial statements	15,000	14,500

15. Staff costs

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

	2023 £	2022 £
Wages and salaries	4,201,252	3,617,085

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 2023 were £81,277 (2022: £80,820).

Contributions totalling £Nil (2022: £Nil) 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 £528,832 (2022: £468,958). The trustees received no remuneration during the year (2022: £nil).

Textile Reuse and International Development

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

15. Staff costs *(continued)*

The average head count of employees during the year was 187 (2022: 148). The average number of full-time equivalent employees during the year is analysed as follows:

	2023	2022
	No.	No.
Shops	125	96
Collecting, sorting and distribution	52	43
Management and administration	9	7
Recycling	1	1
Overseas development	—	1
	<u>187</u>	<u>148</u>

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

	2023	2022
	No.	No.
£60,000 to £69,999	1	1
£70,000 to £79,999	2	1
£110,000 to £119,999	—	1
£120,000 to £129,999	1	—
	<u>4</u>	<u>3</u>

16. Trustee remuneration and expenses

None of the trustees received remuneration for their services during the year (2022: £nil)

None of the trustees were reimbursed for any expenses during the year (2022: £nil)

The charitable company paid for trustee indemnity insurance during the year for the premium of £451 (2022: £438).

Textile Reuse and International Development

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

17. Tangible fixed assets

	Long leasehold property £	Containers £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost					
At 1 January 2023	167,481	493,175	611,110	1,810,868	3,082,634
Additions	–	–	54,000	120,896	174,896
Disposals	–	–	(15,350)	–	(15,350)
At 31 December 2023	<u>167,481</u>	<u>493,175</u>	<u>649,760</u>	<u>1,931,764</u>	<u>3,242,180</u>
Depreciation					
At 1 January 2023	112,830	493,175	463,614	1,329,010	2,398,629
Charge for the year	6,234	–	88,006	210,761	305,001
Disposals	–	–	(15,350)	–	(15,350)
At 31 December 2023	<u>119,064</u>	<u>493,175</u>	<u>536,270</u>	<u>1,539,771</u>	<u>2,688,280</u>
Carrying amount					
At 31 December 2023	<u>48,417</u>	<u>–</u>	<u>113,490</u>	<u>391,993</u>	<u>553,900</u>
At 31 December 2022	<u>54,651</u>	<u>–</u>	<u>147,496</u>	<u>481,858</u>	<u>684,005</u>

18. Debtors

	2023 £	2022 £
Trade debtors	56,095	8,812
Prepayments and accrued income	464,489	405,146
Other debtors	288,545	223,736
	<u>809,129</u>	<u>637,694</u>

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

	2023 £	2022 £
Other debtors	<u>102,461</u>	<u>102,461</u>

Other debtors of £102,461 (2022: £102,461) 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.

Textile Reuse and International Development

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

19. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	205,234	195,575
Accruals and deferred income	208,335	248,193
Social security and other taxes	—	83,387
	<u>413,569</u>	<u>527,155</u>

20. Provisions

	Dilapidations
	£
At 1 January 2023 and 31 December 2023	<u>167,481</u>

Textile Reuse and International Development

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

21. 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 2023 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 2023 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 2023 £	Resources expended £	Transfers £	Balance at 31 December 2023 £
Fixed Asset Fund	684,005	(289,651)	159,546	553,900
Pan UK	154,320	(233,568)	431,623	352,375
Amit Consultancy	–	(3,600)	14,400	10,800
ChildHope	45,000	(77,221)	32,221	–
Arogya Agam	1,238	(1,238)	–	–
READ	141,872	(58,815)	–	83,057
Grambangla Unnayan Committee	–	(14,703)	24,703	10,000
Nagorik Uddyog	–	(35,000)	69,000	34,000
Warehouse Fund	2,000,000	–	500,000	2,500,000
	<u>3,026,435</u>	<u>(713,796)</u>	<u>1,231,493</u>	<u>3,544,132</u>

Fixed Assets Fund:

This represents the net book value of the fixed assets at 31 December 2023.

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 Arogya 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

Textile Reuse and International Development

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

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.

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 project 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.

Warehouse Fund:

This represents the ring-fenced fund TRAID has built up for the purposes of acquiring new warehousing, making the charity's operations more secure and resilient in the long-term..

Textile Reuse and International Development

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

22. Analysis of net assets between funds

	Unrestricted Funds £	Designated Funds £	Total Funds 2023 £
Tangible fixed assets	–	553,900	553,900
Current assets/(liabilities)	4,894,708	2,990,232	7,884,940
Provisions	(167,481)	–	(167,481)
	<u>4,727,227</u>	<u>3,544,132</u>	<u>8,271,359</u>

	Unrestricted Funds £	Designated Funds £	Total Funds 2022 £
Tangible fixed assets	–	684,005	684,005
Current assets/(liabilities)	4,318,459	2,342,430	6,660,889
Provisions	(167,481)	–	(167,481)
	<u>4,150,978</u>	<u>3,026,435</u>	<u>7,177,413</u>

23. Prior year adjustments

The prior period adjustment corrects the brought forward fixed asset position and designated reserves.

24. Analysis of changes in net debt

	At 1 Jan 2023 £	Cash flows £	At 31 Dec 2023 £
Cash at bank and in hand	<u>6,550,350</u>	<u>939,030</u>	<u>7,489,380</u>

25. Operating lease commitments

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

	2023 £	2022 £
Not later than 1 year	1,302,368	1,434,801
Later than 1 year and not later than 5 years	2,634,497	3,174,517
Later than 5 years	1,557,781	1,423,253
	<u>5,494,646</u>	<u>6,032,571</u>

26. Related parties

There were no related party transactions in the year (2022: none).

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

England & Wales - Charity number 297489

Accounts

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

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

Textile Reuse and International Development

Company Limited by Guarantee

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

Year ended 31 December 2022

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 TRAIID 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 TRAIID 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. TRAIID 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 TRAIID collects is hand sorted by TRAIID staff for resale in TRAIID shops. To preserve natural resources TRAIID 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, TRAIID's activities also fund international NGO projects that focus on the textile supply chain.

Projects funded by TRAIID 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.

Textile Reuse and International Development

Company Limited by Guarantee

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

Year ended 31 December 2022

Structure, governance and management

1. The Trustees

The Directors of TRAIID (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 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.

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 TRAIID'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. TRAIID 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.

Textile Reuse and International Development

Company Limited by Guarantee

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

Year ended 31 December 2022

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.

Textile Reuse and International Development

Company Limited by Guarantee

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

Year ended 31 December 2022

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 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 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. 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 TRAIID's financial projections
- In line with monthly accounts, update five-year financial forecasts;
- Ring fenced reserves to give future warehousing options

Textile Reuse and International Development

Company Limited by Guarantee

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

Year ended 31 December 2022

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.

Textile Reuse and International Development

Company Limited by Guarantee

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

Year ended 31 December 2022

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 TRAIID 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.

Textile Reuse and International Development

Company Limited by Guarantee

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

Year ended 31 December 2022

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, TRAIID 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). TRAIID's bank balance was £6,550,350. This balance was sufficient to cover the six months operating costs (estimated to be £3m) as per TRAIID'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. TRAIID 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. TRAIID 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 TRAIID's usual 2-3-year financing, this will ensure partners can operate with long term strategies.

TRAIID 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. TRAIID 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 TRAIID's current warehousing, our needs and working methodology.

Textile Reuse and International Development

Company Limited by Guarantee

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

Year ended 31 December 2022

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.

Textile Reuse and International Development

Company Limited by Guarantee

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

Year ended 31 December 2022

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.
-

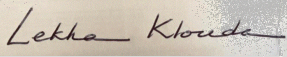
Textile Reuse and International Development

Company Limited by Guarantee

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

Year ended 31 December 2022

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:

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Ms Lekha Klouda
Trustee

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.

Textile Reuse and International Development

Company Limited by Guarantee

Independent Auditor's Report to the Members of Textile Reuse and International Development *(continued)*

Year ended 31 December 2022

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.

Textile Reuse and International Development

Company Limited by Guarantee

Independent Auditor's Report to the Members of Textile Reuse and International Development *(continued)*

Year ended 31 December 2022

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.

Textile Reuse and International Development

Company Limited by Guarantee

Independent Auditor's Report to the Members of Textile Reuse and International Development *(continued)*

Year ended 31 December 2022

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,

Textile Reuse and International Development

Company Limited by Guarantee

Independent Auditor's Report to the Members of Textile Reuse and International Development *(continued)*

Year ended 31 December 2022

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.
-

Textile Reuse and International Development

Company Limited by Guarantee

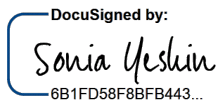
Independent Auditor's Report to the Members of Textile Reuse and International Development *(continued)*

Year ended 31 December 2022

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:

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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

Textile Reuse and International Development

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 December 2022

		2022		2021
		Unrestricted	Total funds	Total funds
	Note	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		<u>8,657,587</u>	<u>8,657,587</u>	<u>6,500,151</u>
Expenditure				
Expenditure on charitable activities	8,9	<u>6,949,735</u>	<u>6,949,735</u>	<u>5,744,445</u>
Total expenditure		<u>6,949,735</u>	<u>6,949,735</u>	<u>5,744,445</u>
Net income and net movement in funds		<u>1,707,852</u>	<u>1,707,852</u>	<u>755,706</u>
Reconciliation of funds				
Total funds brought forward		<u>5,499,505</u>	<u>5,499,505</u>	<u>4,743,799</u>
Total funds carried forward		<u>7,207,357</u>	<u>7,207,357</u>	<u>5,499,505</u>

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.

Textile Reuse and International Development

Company Limited by Guarantee

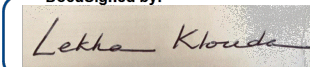
Statement of Financial Position

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
		<u>7,188,044</u>	<u>5,853,676</u>
Creditors: amounts falling due within one year	17	<u>527,155</u>	<u>769,665</u>
Net current assets		<u>6,660,889</u>	<u>5,084,011</u>
Total assets less current liabilities		<u>7,374,838</u>	<u>5,666,986</u>
Provisions	18	<u>167,481</u>	<u>167,481</u>
Net assets		<u><u>7,207,357</u></u>	<u><u>5,499,505</u></u>
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		<u>7,207,357</u>	<u>5,499,505</u>
Total charity funds	19	<u><u>7,207,357</u></u>	<u><u>5,499,505</u></u>

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:

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Ms Lekha Klouda
Trustee

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

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
<i>Adjustments for:</i>		
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)
<i>Changes in:</i>		
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.

Textile Reuse and International Development

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 December 2022

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 TRAIID'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.

Textile Reuse and International Development

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

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.

Textile Reuse and International Development

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

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.

Textile Reuse and International Development

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

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 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
	<u>8,423,410</u>	<u>5,728,661</u>

Charitable income is from diverting clothes and shoes from landfill.

6. Investment income

	Total Funds 2022 £	Total Funds 2021 £
Interest receivable	<u>34,177</u>	<u>6,046</u>

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	—
	<u>200,000</u>	<u>765,444</u>

Textile Reuse and International Development

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

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
	<u>6,949,735</u>	<u>5,744,445</u>

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
	<u>6,006,460</u>	<u>395,914</u>	<u>547,361</u>	<u>6,949,735</u>	<u>5,744,445</u>

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
	<u>547,361</u>	<u>331,066</u>

Textile Reuse and International Development

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

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
	<u>395,914</u>	<u>390,260</u>
Total grants	<u>395,914</u>	<u>390,260</u>

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)
	<u>294,494</u>	<u>245,945</u>

13. Staff costs

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

	2022	2021
	£	£
Wages and salaries	<u>3,617,085</u>	<u>2,947,862</u>

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).

Textile Reuse and International Development

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

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	—
	<u>148</u>	<u>128</u>

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	—
	<u>3</u>	<u>2</u>

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).

Textile Reuse and International Development

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

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	<u>167,481</u>	<u>493,175</u>	<u>641,054</u>	<u>1,810,868</u>	<u>3,112,578</u>
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	<u>112,830</u>	<u>493,175</u>	<u>463,614</u>	<u>1,329,010</u>	<u>2,398,629</u>
Carrying amount					
At 31 December 2022	<u>54,651</u>	<u>–</u>	<u>177,440</u>	<u>481,858</u>	<u>713,949</u>
At 31 December 2021	<u>60,883</u>	<u>–</u>	<u>213,561</u>	<u>308,531</u>	<u>582,975</u>

16. Debtors

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

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

	2022 £	2021 £
Other debtors	<u>102,461</u>	<u>75,901</u>

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	<u>83,387</u>	<u>62,923</u>
	<u>527,155</u>	<u>769,665</u>

Textile Reuse and International Development
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 December 2022

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

Textile Reuse and International Development

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

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)	—	—
	<u>780,354</u>	<u>(684,176)</u>	<u>960,201</u>	<u>1,056,379</u>

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 Arogya 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.

Textile Reuse and International Development

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

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 project 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)
	<u>6,150,978</u>	<u>1,056,379</u>	<u>7,207,357</u>
	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)
	<u>4,719,151</u>	<u>780,354</u>	<u>5,499,505</u>

Textile Reuse and International Development

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

21. Analysis of changes in net debt

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

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	<u>1,423,253</u>	<u>1,847,792</u>
	<u>6,032,571</u>	<u>6,668,032</u>

23. Related parties

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

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

England & Wales - Charity number 297489

Accounts

Charity Registration No. 297489

Company Registration No. 02143753 (England and Wales)

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms Lekha Klouda
	Mr Ian Hagg
	Mr Stephen Robertson
	Mr Andy Rutherford
	Ms Anna Katharine Lovell
	Mr Neil Carrett
	Mrs Melinda Arin Keegan
Secretary	Mrs Maria Chenoweth-Casey
Charity number	297489
Company number	02143753
Registered office	Unit 404 Clerkenwell Workshops 27/31 Clerkenwell Close London EC1R 0AT England
Auditor	HW Fisher LLP Acre House 11-15 William Road London NW1 3ER United Kingdom
Bankers	The Co-operative Bank Plc 80 Cornhill London EC3V 3NJ
Solicitors	Pinney Talfourd LLP Crown House 40 North Street Hornchurch Essex RM11 1EW

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

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Statement of cash flows	15
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TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their report and financial statements for the year ended 31 December 2021.

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) (effective from 1 January 2019).

Objectives and Activities

TRAID (Textile Reuse and International Development) is a charity that works to tackle the environmental damage and social injustice caused by the production, consumption and waste caused by clothing both here in the UK and internationally. TRAIID is a registered charity (registered charity number 297489) and is constituted as a company registered in England and limited by guarantee (registration number 02143753).

As stated in its Memorandum and Articles of Association, the purposes for which TRAIID 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, regional free home collections and London based charity shops.

Clothing is collected and sorted by TRAIID staff for resale. TRAIID's operations create 130 living wage accredited circular economy jobs, which work for the broader benefit of people and the environment.

For charitable, local, ethical, and environmental purposes TRAIID's prominent high street charity shops aim to convert the public into buying and wearing secondhand clothes. TRAIID shops cater for a broad demographic, making secondhand clothing inclusive to all through its product offering and price points.

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

As a charitable not for profit, TRAIID's activities also fund international NGO projects that focus on the textile supply chain. Projects funded by TRAIID include supporting organic cotton production in Africa and India, addressing spinning mill bonded labour in South India, providing day care centers and care for garment worker children in Bangladesh.

Structure, Governance and Management

The Trustees

The Directors of TRAIID 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

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 TRAIID's work.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

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 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 TRAIID'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. TRAIID 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.

Senior Management

The Senior Management Team who served during 2021 was as follows:

Maria Chenoweth	Chief Executive
Umashish Panda	Finance Manager
Enedina Columbano	Commercial Director
Leigh McAlea	Communications 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 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 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, organizational 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 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 the company law requirements for the trustees to present a strategic report.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

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 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. In addition, any new risks are identified in the quarterly management reports circulated to the Board.

Principal Risks

TRAIID reviews its risks annually, in 2021 the following principal risks were highlighted which are being managed to our risk management policy and strategies.

- The negative financial impact of COVID.
- Making new long term funding commitments to TRAIID's international project partners.
- Market conditions of warehousing with more demand than supply.

TRAIID managed these principal risks in the following ways:

The negative financial risks of COVID were mitigated by the cash reserves held by the charity, both as part of the reserves policy and designated funds held to mitigate the longer-term warehouse risk. In addition, TRAIID took advantage of the interest free government loan facility and the furlough scheme. As TRAIID is generally counter cyclical, once the shops were allowed to open, they over-performed, allowing cash reserves to be rebuilt. Please see Going Concern note re COVID for further detail.

Making longer term financial commitments for projects - due to the financial instability caused by COVID the trustees made the decision to only to commit to one year's funding. This will be reviewed as soon as funds allow us to do so. See Grant Making Policy for further detail.

Market conditions of warehouse - TRAIID signed a five-year lease for an additional smaller warehouse which allows the risk associated with the main warehouse to be reduced. In addition, the main warehouse lease was renewed at the end of 2019. Subject to the impact of COVID the charity is continuing to designate funds to allow the possibility of buying a warehouse in the future, should this be appropriate.

Grant Making Policy

TRAIID makes grants to external charity partners who deliver carefully considered international development programmes. In 2021, TRAIID continued to focus its funding on the social and environmental impacts of the clothing supply chain.

Due to the unknown negative financial impacts of COVID, TRAIID's new funding commitments during 2021 were based on making one-year grants.

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

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 tons.

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

TRAIID's environmental aim is to drive people away from new fast fashion purchases through its network of charity shops, whilst promoting passing on and responsible disposal of unworn and unwanted clothing through its network of textile banks and home collections.

Based on WRAP's calculation, in 2021 the environmental benefit of TRAIID collections and retail was a carbon saving of 1,936 tons and 326,093 257 litres of water.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

Public Education

During 2021, face to face organizational delivery of education, workshops and repair café participation to schools and public arenas was discontinued due to COVID restrictions and lockdown.

In 2021 TRAIID generated a media opportunity to see of over 38 million, delivering content on the social and environmental impact of clothing. TRAIID used social media, newsletters, local and national press, media and TRAIID's educational toolkit to deliver its key messaging.

International development

By 2021-year end, the Board approved international development funding totaling **£367,210**. This comprised new project funding for Childhope (Bangladesh), OBEPAB (Benin), PAN Ethiopia, and READ (India) of **£341,810**, and two Covid emergency grants totaling **£25,400** to support READ's work to provide urgent food parcels for destitute garment workers. The new funding focuses on existing project partners giving them continuity and stability in continuing their work.

Payment of Funding Agreed in Prior Years

In addition to new funding, in Q4, payments of **£21,873** were made to Fairtrade Foundation in respect of prior year funding requests.

Project 2021/22 summaries

Partner website: www.childhope.org.uk

Partners:	Childhope / Nagorik Uddyog
Country:	Bangladesh
Project aim:	"Caring for the children of garment workers"
Grant / Duration	£69,493 / 1-Year

To protect and improve the lives of the most vulnerable children of garment working mothers by providing access to day-care and drop-in centres, enrolment in formal education, birth certificate registration and empowering communities to better protect children by advocating for child rights. In 2021/22, funds will support the continued operation of two day-care centres, and two drop-in centres, caring for around 180 children, early childhood development services, registration of 100 birth certificates (80 children newly enrolling plus the lag from last year), mainstreaming 40 children aged 6-13 into state primary school plus community advocacy including negotiating with employers of working children to attend the centres, and parent and teacher monthly meetings.

Partners	READ / Arogya Agam
Country:	India
Project aim:	Improving support for, and rights of, inter-state migrant garment workers
Grant/ Duration	£31,849 + £800 for Arogya Agam / 1-year

Addressing the lack of support and rights of inter-state migrant garment workers in the region who are even more vulnerable to exploitation than local workers through advocacy and direct interventions.

In 2021/22, funds will improve conditions for around 15,500 local and migrant workers including registering 5,000 migrants, providing legal, counselling and welfare support to address the issues of 840 and creating 10 additional model mills (running total now 35) which means they will implement Provident Fund payments correctly, operate an Internal Complaints Committee and employ only registered migrant workers. READ has done a lot of work on registration e.g., the app to register migrants is up and running, as is the Help Desk to address legal concerns and non-payment of PF; and working at state and destination (where the migrants are from) government level to ensure registration is linked between states. READ will continue its work to empower local textile workers, especially women, by adding another 30 villages to the women's leadership federation and increasing its membership by 500. The legal issues of around 150 local workers will also be addressed and 25 education scholarships for the children of textile workers will be provided to avoid school dropouts, child labour and marriage.

Partner website: www.pan-uk.org

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Partners	PAN Ethiopia / PAN UK
Country:	Ethiopia
Project aim:	Consolidating the sustainable cotton programme in Ethiopia
Grant/ Duration	£96,500 / 1-year

Consolidating the sustainable cotton programme by helping Ethiopian farmers to further benefit from growing global and national interest in sourcing sustainable cotton. Despite the challenges of the pandemic, TRAIID's support to date has helped over 2,000 Ethiopian farmers grow certified and uncertified organic cotton.

In 2021/22, funds will continue to expand its highly successful Farmer Field School (FFS) training model, and secure more organic certifications, while also addressing two areas which farmers report they need help with: access to high quality seed and rewarding markets for their cotton. Lead FFS farmers will be trained further on germination to improve seed provision, while small businesses will be supported to increase the volume of seed provision. Importantly, it will also see a dedicated staff member employed to improve management systems to help farmers through the complex organic certification process.

Partner website: www.pan-uk.org

Partners	PAN Benin / PAN UK
Country:	Benin
Project aim:	Consolidating the sustainable cotton programme in Ethiopia
Grant/ Duration	£143,168 / 1-year



To capitalise on the situation in the organic cotton sector where demand for organic cotton in Africa is 'extraordinarily high' due to its quality. The success of OBEPAB's project has seen significant yield increases – from 2,768 in 2019/20 to 4,278 in 2020/21 – and it is fantastic quality. Results include reduced pesticide poisoning, higher net incomes and strong women's participation.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

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Until now, OBEPAB has been almost entirely dependent on TRAIID's funding to train organic producers in Benin. However, growing demand is attracting Government and private investors to the organic cotton sector putting the project in a stronger position to expand its training programme further. OBEPAB's success is being noticed. Government, traders, and other organisations are approaching them and PAN UK to try to buy cotton.

This very exciting phase of the project will help OBEPAB to explore potential new investment into organic cotton production, will provide 4,750 organic cotton farmers (at least 1,540 women) with FFS training, carry out field trials to ensure the availability of high-quality organic seed to suit the growing region (essential for future growth) and will support 562 farmers currently in transition from conventional to organic certification.

Financial Review

For the year ended 31st December 2021, TRAIID had incoming resources of £6,500,151 up 22.6% on the previous year (2020: £5,303,317), reflecting the ongoing strength of the retail revenue stream. Total resources expended were £5,744,445, up 1% on the previous year (2020: £5,713,719), largely reflecting increased investment in staff to support the revenue generating activities and increased investment in overseas projects.

At 31st December 2021 net assets amounted to £5,499,505 (2020: £4,743,799) of which general unrestricted funds totaled £4,719,151 (2020: £3,931,770) and designated funds totaled £780,354 (2020: £812,029). TRAIID's bank balance was £5,242,685. This balance was sufficient to cover the six months operating costs (estimated to be £3m) as per TRAIID's reserves policy and the outstanding development funding commitments of £197,379.

Plans for the future

2022 is expected to be a year in which a return to normal operating conditions takes place after the Covid pandemic. TRAIID has projected that during 2023 it will not be impacted by COVID, with no lockdowns or negative staff sickness implications on operations and finances.

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.

The charity will continue funding international development projects that are focused on the social and environmental impacts of the textile supply chain. TRAIID 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 TRAIID'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. TRAIID shops will work to increase their environmental impact of displacing new clothing with second-hand through good product offering, prominent outlets, and public awareness.

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

Staff and Volunteering contribution

TRAID continues to be an accredited London living wage employer, providing employment for 128 staff. During 2021 the charity maintained its high staff retention, with head office staff at 14 years, warehousing 6 years and retail 3.5 years.

Volunteer input remained at the same level as 2020, with COVID and lockdown impacting numbers and time contribution. During the year 130 people volunteered at TRAIID giving 2,900 hours.

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 and to cope with unforeseen risks, such as those that arose during the Covid-19 pandemic. Based on good practice, in 2021 general reserves of six-month operating costs totaling £3m were retained.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

In addition, careful consideration has been given to the need to prepare for the end of the main warehouse lease in 2025, with the aim of TRAID acquiring its own warehouse. This would make the charity's operations more secure and resilient in the long-term. To that end additional reserves are being built up to enable a purchase to be made and at the end of 2021 these additional reserves amounted to £1.3m. 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

In 2021, Trustees considered the ongoing COVID impact on the charity activities that included financial scenario planning on a regular basis.

In line with 2021, a financial projection has been produced covering November 2022 – October 2023 profit, loss, cashflow and reserves.

The financial projection runs from November 2022 – October 2023 based on actual 2021 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 no remedial action, the forecast gives a projected surplus for the period of £1,478,445.

Factoring the projected new spending of £620,085 the bottom line becomes £858,360.

This scenario leaves the charity with a positive concluding cash balance of £5,979,733, 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.

Disclosure of information to auditors

Each of the trustees have confirmed that there is no information that 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

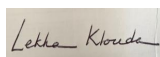
HW Fisher LLP were appointed auditors to the company. A resolution proposing that they will be re-appointed as auditors of the company will be put to the Annual General Meeting.

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: 28 Oct 2022

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

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; 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 TRUSTEES 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 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including 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 charitable company's affairs as at 31 December 2021 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

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.

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

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.

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.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud;
- The charity did not inform us of any known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity; We determined that the following were most relevant: the Charity SORP, FRS 102, Charities Act 2011, Companies Act 2006;
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly;
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual;
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied;
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates;
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations;
- Assessing the validity of the classification of income, expenditure, assets and liabilities between unrestricted and restricted funds;
- Testing key revenue lines, in particular cut-off, for evidence of management bias;
- Obtaining third-party confirmation of material bank balances;
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as the company board minutes for discussions of irregularities including fraud.
- Performing a physical verification of key assets.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with those charged with governance of the entity.

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


Carol Rudge (Senior Statutory Auditor)
for and on behalf of HW Fisher LLP

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom
28 Oct 2022
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TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

Current financial year

		Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Total 2021 £	(As restated) Total 2020 £
	Notes				
Income and endowments from:					
Incoming resources from charitable activities	3	5,728,661	-	5,728,661	4,487,692
Investments	4	6,046	-	6,046	23,469
Other income	5	765,444	-	765,444	792,156
Total income		6,500,151	-	6,500,151	5,303,317
Expenditure on:					
<u>Charitable activities</u>					
Diverting clothes and shoes from landfill	6	5,101,290	252,895	5,354,185	5,215,954
Education on environmental and poverty issues	6	-	-	-	42,763
Overseas development projects	6	-	390,260	390,260	436,534
Total charitable expenditure		5,101,290	643,155	5,744,445	5,695,251
Other	11	-	-	-	18,468
Total resources expended		5,101,290	643,155	5,744,445	5,713,719
Net incoming/(outgoing) resources before transfers		1,398,861	(643,155)	755,706	(410,402)
Gross transfers between funds		(611,480)	611,480	-	-
Net income/(expenditure) for the year/ Net movement in funds		787,381	(31,675)	755,706	(410,402)
Fund balances at 1 January 2021					
As originally reported		4,104,392	739,773	4,844,165	5,232,440
Prior year adjustment	22	(172,622)	72,256	(100,366)	(78,239)
As restated		3,931,770	812,029	4,743,799	5,154,201
Fund balances at 31 December 2021		4,719,151	780,354	5,499,505	4,743,799

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

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

Prior financial year		(As restated)		
		Unrestricted funds general	Unrestricted funds designated	Total
	Notes	2020 £	2020 £	2020 £
Income and endowments from:				
Incoming resources from charitable activities	3	4,487,692	-	4,487,692
Investments	4	23,469	-	23,469
Other income	5	792,156	-	792,156
Total income		5,303,317	-	5,303,317
Expenditure on:				
<u>Charitable activities</u>				
Diverting clothes and shoes from landfill	6	4,939,568	276,386	5,215,954
Education on environmental and poverty issues	6	42,622	141	42,763
Overseas development projects	6	1,926	434,608	436,534
Total charitable expenditure		4,984,116	711,135	5,695,251
Other	11	18,468	-	18,468
Total resources expended		5,002,584	711,135	5,713,719
Net incoming/(outgoing) resources before transfers		300,733	(711,135)	(410,402)
Gross transfers between funds		(320,183)	320,183	-
Net income/(expenditure) for the year/ Net movement in funds		(19,450)	(390,952)	(410,402)
Fund balances at 1 January 2020				
As originally reported		4,118,438	1,114,002	5,232,440
Prior year adjustment	22	(167,218)	88,979	(78,239)
As restated		3,951,220	1,202,981	5,154,201
Fund balances at 31 December 2020		3,931,770	812,029	4,743,799

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.

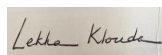
TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	(as restated) 2020 £	£
Fixed assets					
Tangible assets	12		582,975		591,407
Current assets					
Debtors falling due after one year	13	75,901		75,901	
Debtors falling due within one year	13	535,090		566,252	
Cash at bank and in hand		5,242,685		5,124,406	
		<u>5,853,676</u>		<u>5,766,559</u>	
Creditors: amounts falling due within one year	15	<u>(769,665)</u>		<u>(1,441,545)</u>	
Net current assets			5,084,011		4,325,014
Total assets less current liabilities			5,666,986		4,916,421
Provisions for liabilities	16		<u>(167,481)</u>		<u>(172,622)</u>
Net assets			<u>5,499,505</u>		<u>4,743,799</u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds	18	780,354		812,029	
General unrestricted funds		<u>4,719,151</u>		<u>3,931,770</u>	
			5,499,505		4,743,799
			<u>5,499,505</u>		<u>4,743,799</u>

The financial statements were approved by the Trustees on 28 Oct 2022



Ms Lekha Klouda
Trustee

Company Registration No. 02143753

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	(as restated) 2020
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	23	794,994	228,627
Investing activities			
Purchase of tangible fixed assets		(258,963)	(254,114)
Proceeds of disposal of tangible fixed assets		21,450	-
Interest received		6,046	23,469
Net cash used in investing activities		(231,467)	(230,645)
Net cash used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		563,527	(2,018)
Cash and cash equivalents at beginning of year		4,679,158	4,681,176
Cash and cash equivalents at end of year		5,242,685	4,679,158
Relating to:			
Bank balances and short term deposits		5,242,685	5,124,406
Bank overdrafts		-	(445,248)

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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 Unit 404 Clerkenwell Workshops, 27/31 Clerkenwell Close, London, EC1R 0AT, England.

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)" (effective from 1 January 2019). 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.

TRAID has restated its opening reserves, details of the prior year adjustment is set out in note 22.

1.2 Going concern

The Trustees continue to review the effect of the Covid-19 outbreak on the Charity's activities. The outbreak has caused significant disruption to the Charity's operations since 2020. However, in 2021 shop sales (like for like) achieved 80% to 90% of those achieved in 2019, indicating a steady recovery from the impact of the pandemic. Trustees have, and continue to take action in relation to expenditure to mitigate risks posed to the Charity. Based on financial projections made by the Charity and the availability of reserves, the Trustees have a reasonable expectation that TRAID has adequate resources to continue in operation for a minimum of twelve months from the date of approval of these financial statements and as such the financial statements continue to be prepared on the going concern basis. Further information is also provided in the Trustees' Report.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

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

1.4 Incoming resources

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

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

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

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 Resources expended

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

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

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

Governance includes the costs of compliance with constitutional and statutory requirements. 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.

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
Leasehold improvements	over the period of the lease
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.

Leasehold improvements include decommissioning costs relating to the leases.

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 and deposits held at call with banks.

1.9 Financial instruments

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

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.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.10 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 where the lease requires the leasehold property to be reinstated to the position it was before commencement of the lease and any decommissioning costs are added to the fixed assets.

1.11 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.

1.12 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.

1.13 Government grants

The charity received government grants in the year, making use of the schemes the UK government brought into place for businesses during the Covid-19 pandemic.

Government grants received under the Coronavirus Job Retention Scheme, are recognised at the fair value of the grant received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants received from the Coronavirus Business Interruption Loan Scheme that cover interest and fees payable to the lender, are recognised at the fair value of the grant received or receivable when there is reasonable assurance that the grant conditions will be met and received.

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 £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.

Provision for dilapidations

Included in provisions is an amount in respect of dilapidations for TRAIID'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.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Incoming resources from charitable activities

	Diverting clothes and shoes from landfill 2021 £	Diverting clothes and shoes from landfill 2020 £
Retail sales	4,537,001	3,290,644
Wholesale sales	1,114,793	1,051,057
Other income	76,867	145,991
	<u>5,728,661</u>	<u>4,487,692</u>

4 Investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Interest receivable	<u>6,046</u>	<u>23,469</u>

5 Other income

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Net gain on disposal of tangible fixed assets	6,950	-
Coronavirus Job Retention Scheme (furlough) Income	441,086	683,156
Local Government Grant Income	317,408	109,000
	<u>765,444</u>	<u>792,156</u>

Coronavirus Job Retention Scheme income and local government grant income was classified as 'Voluntary income' in the accounts for the year ended 31st December 2020. These amounts have been included in 'Other income' in these accounts, therefore, the comparative has been reanalysed.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Charitable activities

							(as restated)
	Diverting clothes and shoes from landfill	Overseas development projects	Total 2021	Diverting clothes and shoes from landfill	Education on environmental and poverty issues	Overseas development projects	Total 2020
	2021	2021		2020	2020	2020	
	£	£	£	£	£	£	£
Staff costs	2,712,151	-	2,712,151	2,626,778	21,836	95	2,648,709
Depreciation and impairment	242,764	-	242,764	258,488	-	-	258,488
Carriage and freight	11,880	-	11,880	10,481	-	-	10,481
Rent	1,282,950	-	1,282,950	1,299,985	-	-	1,299,985
Other costs	268,099	-	268,099	243,109	18,641	-	261,750
Clothing costs	193,896	-	193,896	211,878	-	-	211,878
Rates	48,543	-	48,543	44,813	-	-	44,813
Light and heat	115,862	-	115,862	100,588	-	-	100,588
Consultancy	59,152	-	59,152	71,521	-	-	71,521
Repairs and maintenance	87,822	-	87,822	58,871	-	-	58,871
	<u>5,023,119</u>	<u>-</u>	<u>5,023,119</u>	<u>4,926,512</u>	<u>40,477</u>	<u>95</u>	<u>4,967,084</u>
Grant funding of activities (see note 7)	-	390,260	390,260	-	-	434,487	434,487
Share of support costs (see note 8)	311,847	-	311,847	274,466	2,168	1,851	278,485
Share of governance costs (see note 8)	19,219	-	19,219	14,976	118	101	15,195
	<u>5,354,185</u>	<u>390,260</u>	<u>5,744,445</u>	<u>5,215,954</u>	<u>42,763</u>	<u>436,534</u>	<u>5,695,251</u>
Analysis by fund							
Unrestricted funds - general	5,101,290	-	5,101,290	4,939,568	42,622	1,926	4,984,116
Unrestricted funds - designated	252,895	390,260	643,155	276,386	141	434,608	711,135
	<u>5,354,185</u>	<u>390,260</u>	<u>5,744,445</u>	<u>5,215,954</u>	<u>42,763</u>	<u>436,534</u>	<u>5,695,251</u>

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Grants payable

	2021 £	2020 £
Grants to institutions:		
Pan UK	235,172	238,332
ChildHope	60,718	69,996
Arogya Agam	800	800
READ - Rights Education and Development Centre	41,630	32,704
Fairtrade	41,940	82,655
AMMA & Tea Leaf Trust	10,000	10,000
	<u>390,260</u>	<u>434,487</u>

8 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	235,711	-	235,711	203,702	-	203,702
Depreciation	10,131	-	10,131	18,159	-	18,159
Other costs	66,005	-	66,005	56,624	-	56,624
Audit fees	-	19,219	19,219	-	15,195	15,195
	<u>311,847</u>	<u>19,219</u>	<u>331,066</u>	<u>278,485</u>	<u>15,195</u>	<u>293,680</u>
Analysed between Charitable activities	<u>311,847</u>	<u>19,219</u>	<u>331,066</u>	<u>278,485</u>	<u>15,195</u>	<u>293,680</u>

9 Trustees

None of the trustees received remuneration for their services during the year (2020: £nil).

None of the trustees were reimbursed for any expenses during the year (2020: £nil).

The charitable company paid for trustees indemnity insurance during the year for the premium of £489 (2020: £444).

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Shops	77	78
Collecting, sorting and distribution	42	45
Education	-	2
Management and administration	7	5
Recycling	2	3
	<u>128</u>	<u>133</u>

Employment costs

	2021 £	2020 £
Wages and salaries	2,688,439	2,594,190
Social security costs	221,991	210,580
Other pension costs	37,432	47,641
	<u>2,947,862</u>	<u>2,852,411</u>

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

Included within the senior management team are the following:- Chief Executive, Finance Manager, Commercial Director, 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 £451,432 (2020: £439,571). The trustees received no remuneration during the year (2020: nil).

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

	2021 Number	2020 Number
£60,000 - £69,999	1	1
£80,000 - £89,999	-	1
£90,000 - £99,999	1	-
	<u>2</u>	<u>2</u>

Contributions totalling £10,272 (2020: £10,167) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

During 2021, £3,533 termination payments were made to staff.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Other

	Total	Total
	£	£
	2021	2020
Financing costs	-	18,468
	-	18,468

12 Tangible fixed assets

	Containers	Leasehold improvements	Fixtures, fittings & equipment	Motor vehicles	(as restated) Total
	£	£	£	£	£
Cost					
At 1 January 2021	493,175	172,622	1,289,120	490,404	2,445,321
Additions	-	9,359	164,672	84,932	258,963
Disposals	-	(14,500)	-	(2,674)	(17,174)
At 31 December 2021	493,175	167,481	1,453,792	572,662	2,687,110
Depreciation and impairment					
At 1 January 2021	493,175	100,366	976,293	284,080	1,853,914
Depreciation charged in the year	-	6,232	168,968	77,695	252,895
Eliminated in respect of disposals	-	-	-	(2,674)	(2,674)
At 31 December 2021	493,175	106,598	1,145,261	359,101	2,104,135
Carrying amount					
At 31 December 2021	-	60,883	308,531	213,561	582,975
At 31 December 2020	-	72,256	312,827	206,324	591,407

13 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	69,553	80,268
Other debtors	105,320	78,516
Prepayments and accrued income	360,217	407,468
	535,090	566,252

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Debtors		(Continued)	
		2021 £	2020 £
Amounts falling due after more than one year:			
Other debtors		75,901	75,901
Total debtors		610,991	642,153
Other debtors of £75,901 (2020: £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.			
14 Loans and overdrafts		2021 £	2020 £
Bank overdrafts		-	445,248
Payable within one year		-	445,248
The overdraft is secured by fixed charges over the assets of the charity.			
15 Creditors: amounts falling due within one year		2021 £	2020 £
	Notes		
Bank overdrafts	14	-	445,248
Other taxation and social security		62,923	52,292
Government grants		-	2,156
Trade creditors		451,515	529,723
Accruals and deferred income		255,227	412,126
		769,665	1,441,545
16 Provisions for liabilities			£
The provision is in respect of dilapidations and the movement is shown below			
At 1 January 2021 (as restated)			172,622
Additional provisions in the year			9,359
Reversal of provision			(14,500)
At 31 December 2021			167,481

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

17 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 2021 were £37,432 (2020: £47,641).

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

18 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 2021 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 2021 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 1-4 years.

	(as restated) Balance at 1 January 2020	(as restated) Resources expended	(as restated) Transfers	(as restated) Balance at 1 January 2021	Resources expended	Transfers	Balance at 31 December 2021
	£	£	£	£	£	£	£
Fixed Asset Fund	613,940	(276,647)	254,114	591,407	(252,895)	244,463	582,975
Pan UK	354,170	(238,333)	-	115,837	(235,172)	239,169	119,834
AMMA/Tea Leaf	25,000	(10,000)	-	15,000	(10,000)	-	5,000
ChildHope	38,996	(69,996)	56,972	25,972	(60,718)	69,493	34,747
Arogya Agam	-	(800)	800	-	(800)	800	-
READ	24,407	(32,704)	8,297	-	(41,630)	57,555	15,925
Fairtrade	146,468	(82,655)	-	63,813	(41,940)	-	21,873
	<u>1,202,981</u>	<u>(711,135)</u>	<u>320,183</u>	<u>812,029</u>	<u>(643,155)</u>	<u>611,480</u>	<u>780,354</u>

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

18 Designated funds

(Continued)

Fixed Asset Fund

This represents the net book value of the fixed assets at 31 December 2021.

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 with a focus on ending the practice of girls working in spinning mills for three-years in return for a lump sum payment. This phase of the project builds on its work to also address the exploitation of inter-state migrant, as well as local workers, and aims to benefits around 17,500 workers.

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 incomes of small holder cotton farmers in Benin and Ethiopia by reducing their use of hazardous pesticides and fertilisers, and ultimately, growing organically. The project 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 pesticide poisoning and environmental harm will decrease.

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 2021

19 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Total	Unrestricted funds	Designated funds	(as restated) Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Fund balances at 31 December 2021 are represented by:						
Tangible assets	-	582,975	582,975	-	591,407	591,407
Current assets/(liabilities)	4,886,632	197,379	5,084,011	4,104,392	220,622	4,325,014
Provisions	(167,481)	-	(167,481)	(172,622)	-	(172,622)
	<u>4,719,151</u>	<u>780,354</u>	<u>5,499,505</u>	<u>3,931,770</u>	<u>812,029</u>	<u>4,743,799</u>

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

20 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:

	2021 £	2020 £
Within one year	1,244,336	1,134,518
Between two and five years	3,575,904	3,073,337
In over five years	1,847,792	1,699,000
	<u>6,668,032</u>	<u>5,906,855</u>

21 Related party transactions

There were no related party transactions in the year (2020: none).

22 Prior year adjustment

Following a review of TRAIID's operating lease agreements, it was identified that there was a financial obligation in respect of dilapidations under Section 21 of FRS102. This obligation was present in prior years and therefore a prior year adjustment has been made to the financial statements to include a provision for the obligation.

Below outlines the adjustments made and the effect they have had on the financial statements;

Brought forward funds as at 1 January 2020	£5,232,440
Adjustment to reflect lease obligation 2020	<u>(£78,239)</u>
Brought forward funds as at 1 January 2020 as restated	<u>£5,154,201</u>
Net movement in funds as previously stated	(£388,275)
Adjustment to reflect leasehold improvement depreciation	<u>(£22,127)</u>
Net movement in funds as restated	(£410,402)
Changes to funds as at 31 December 2020 as restated	<u>£4,743,799</u>

The adjustment has increased fixed assets at 1 January 2020 by £88,979 and provisions by £167,218.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

23	Cash generated from operations	(as restated)	
		2021 £	2020 £
	Surplus/(deficit) for the year	755,706	(410,402)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(6,046)	(23,469)
	Gain on disposal of tangible fixed assets	(6,950)	-
	Depreciation and impairment of tangible fixed assets	252,895	276,647
	Movements in working capital:		
	Decrease/(increase) in debtors	31,162	(112,993)
	(Decrease)/increase in creditors	(224,476)	491,284
	Increase/(decrease) in provisions	(5,141)	5,404
	(Decrease)/increase in deferred income	(2,156)	2,156
	Cash generated from operations	794,994	228,627
24	Analysis of changes in net funds		
	The charity had no debt during the year.		



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Parties involved with this document

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Audit history log

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TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

England & Wales - Charity number 297489

Accounts

Charity Registration No. 297489

Company Registration No. 02143753 (England and Wales)

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms Lekha Klouda	
	Mr Ian Hagg	
	Mr Stephen Robertson	
	Mr Andy Rutherford	
	Ms Anna Katharine Lovell	
	Mr Neil Carrett	(Appointed 18 January 2020)
	Mrs Melinda Arin Keegan	
Secretary	Mrs Maria Chenoweth-Casey	
Charity number	297489	
Company number	02143753	
Registered office	Second Floor 51-53 High Road London N22 6BH	
Auditor	HW Fisher LLP Acre House 11-15 William Road London NW1 3ER United Kingdom	
Bankers	The Co-operative Bank Plc 80 Cornhill London EC3V 3NJ	
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 AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

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) (effective from 1 January 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Objectives and Activities

TRAID (Textile Reuse and International Development) is a charity that works to tackle and solve the environmental damage and social injustice caused by the waste, production and consumption of clothes both internationally and here in the UK. TRAIT 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 TRAIT 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 TRAIT 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 which is used to fund international development programmes that prevent exploitation and environmental damage across the textile supply and production chain.

TRAID also provides publications and materials that inform and educate people about the environmental and social issues of clothing.

The Trustees

The Directors of TRAIT 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:

Ms Lekha Klouda (Serving Chair)
Mr Ian Hagg
Mr Stephen Robertson
Mr Andy Rutherford
Ms Melinda Keegan
Ms Anna Katharine Lovell
Mr Neil Carrett (Appointed 18 January 2020)

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 AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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 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 TRAIID's audited accounts, quarterly management reports and annual budgets.

Senior Management

The Senior Management Team who served during 2020 was as follows:

Maria Chenoweth	Chief Executive	
Umashish Panda	Finance Manager	
Enedina Columbano	Commercial Director	
Leigh McAlea	Communications Manager	
Andrea Speranza	Education and Campaigns Manager	(Resigned 09/10/2020)
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 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 establishes appropriate reporting mechanisms to ensure that Senior Management operates 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 meets 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 and calculated against their relevant external sector. Bodies such as the Charity Retail Association, ACEVO pay survey, 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 the company law requirements for the trustees to present a strategic report.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

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

FOR THE YEAR ENDED 31 DECEMBER 2020

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 the Board, the Chief Executive and the 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. In addition, any new risks are identified in the quarterly management reports circulated to the Board.

- Principal Risks

TRAIID reviews its risks annually and in 2020 the following principal risks were identified, kept under review and appropriate actions taken:

- The negative financial impact of COVID.
- Continued funding of TRAIID's global project partners.
- Market conditions of warehousing with more demand than supply.

Grant Making Policy

TRAIID makes grants to external charity partners who deliver carefully considered international development programmes. In 2020, TRAIID continued to focus its funding on the social and environmental impacts of the clothing supply chain.

Due to the negative financial impact of COVID, TRAIID's new funding commitments during 2020 were based on one-year grants and taken from the charity's reserves.

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

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 global carbon footprint of the fashion industry is a stated 3.3 billion tons each year.

WRAP states that for every three items of secondhand clothing purchased, one new item of clothing will not be purchased, meaning secondhand clothing causes a displacement effect.

TRAIID's environmental aim is to drive people away from new purchases of fast fashion through its network of charity shops, whilst promoting recycling and reuse of unwanted clothing through its network of banks and home collections.

COVID negatively impacted TRAIID shops and clothing collections through the closure of the organisation during lockdown periods. Despite a tough year, TRAIID increased its charity shops by one and sold across its shops 537,375 items of secondhand clothing.

Through its network of textile banks and home collection service, 2020 TRAIID collected 3,000 tons of people's unworn clothing.

The environmental impact of TRAIID's clothing collections during 2020 was a CO2 saving of 28,272 tonnes and a water saving of 4,761,600 m3.

Public Education

During 2020 the personal delivery of education to schools and public arenas ceased due to COVID restrictions and lockdown. In tandem the education department dissolved due to staff finding new work, furlough, and redundancies.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

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

FOR THE YEAR ENDED 31 DECEMBER 2020

Due to the financial and operational impact of COVID, the Board decided not to replace these roles. A review will be undertaken in 2021/22.

TRAID continued to deliver information through its communication department via social media, newsletters, press, media and TRAIID's educational toolkit, freely downloadable from its website.

International development

During the unprecedented year where COVID negatively impacted TRAIID's finances, the charity decided to continue funding and supporting its existing global project partners, rather than calling for new project proposals from other applicants.

In 2020 £394,890 was paid to already committed international projects, £62,064 was newly committed (of which £36,092 was paid in the year), with an additional total of £11,535 fundraised.

- Emergency monies fundraised and donated

COVID incited fashion brands to abandon suppliers, leaving thousands of workers completely destitute. In Erode where TRAIID's project partner READ is based, around a quarter of spinning mill workers are migrants whose home states are over 1,000km away. TRAIID funded READ to provide garment worker families with emergency food packages to see them through the crisis.

- Fundraising

Monies were also raised for our project partner READ to provide 77 education scholarships to former women mill workers.

- TRAIID's current Project partners:

AMMA & Tea Leaf Trust

Partner website: <https://www.ammasilanka.com>

Bleaching, printing and dyeing textiles is one of the most environmentally harmful stages of the garment production chain. Huge quantities of water, energy and chemicals are used including heavy metals, formaldehyde and chlorine. These chemicals produce effluents which pollute ground and drinking water. They are also hazardous to the people working with them. The textile industry urgently needs to find more environmentally friendly ways of dyeing and producing textiles.

AMMA, a young and creative social enterprise in Sri Lanka, is experimenting with natural dyes made using local products like turmeric and discarded avocado skins to create sustainable handmade textiles, clothes, and homeware.

As well as being environmentally sensitive, AMMA also prioritises workers' rights. AMMA (Tamil for mother) employs women whose work in tea plantations or factories became impossible when they had children. Women working at AMMA are able to work part time around their children's needs and are paid a decent wage.

Amma is working to establish its fledgling brand, both nationally and internationally, to become a recognised name in sustainable textile design with the aim to employ 50 women.

ChildHope

Partner website: www.childhope.org.uk

Many Bangladeshi textile workers are single mothers who have migrated from rural areas looking for work. Lacking education and skills, they end up living in Dhaka's slums which are areas of extreme poverty with limited access to clean water, sanitation, or health care.

Very low wages (around £35 per month) forces mothers to leave young children (2 – 5 years) alone, or in the care of older siblings, putting them at risk of accidents, trafficking, and sexual abuse. Extreme poverty also affects older children (6 – 16) who are forced into work, including illegal activities (often drug trafficking) or informal jobs in dangerous conditions to bring in more money. TRAIID funding has set up two centres in Dhaka for tiny tots of 2-5 years and two drop-in centres for 6-16 year olds, supporting around 200 children at any one time. The centres provide quality care, nutritious food and education in a nurturing setting to children of very poor garment workers, mainly single and abandoned mothers.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

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

FOR THE YEAR ENDED 31 DECEMBER 2020

TRAID also enables Nagorik Uddyog to buy birth certificates for its children, without which they were not recognised as citizens and unable to use state education or state health-care.

Pesticide Action Network: Benin

Partner website: www.pan-uk.org

In Benin, West Africa, cotton farmers struggle to earn a living to support themselves and their families. Poor health compounds poverty among farmers due to the use of highly toxic pesticides.

TRAID has funded PAN UK, and our Beninese partner OBEPAB, since 2009 to help farmers grow cotton and other crops organically by improving farming methods. Today, OBEPAB supported farmers, most of whom have been certified organic have experienced 65% higher net income per hectare of cotton due to lower input costs and a 20% premium for their cotton.

Farmers growing shea, soya and cashew rotation and companion crops alongside their cotton will also receive business support. They are already getting higher yields than neighbouring farmers growing conventionally (using pesticides) but will still need support to ensure their produce is as high quality as possible, and to access the most profitable markets.

Support has been given to farmers, with a focus on female farmers, to add value to companion crops such as shea and cashew, which are rotated with cotton as part of the farmers' organic practice. Unusually, this project has a high participation of women farmers who make up nearly 40% of the farmers compared to around 10% in African cotton farming in general.

Pesticide Action Network: Ethiopia

Partner website: www.pan-uk.org

TRAID has been supporting cotton farmers in Ethiopia since 2012 to stop using hazardous pesticides and fertilisers. Today, the project is flourishing with farmers growing cotton without any chemical inputs. A portion of farmers have now been certified organic, the first ever in Ethiopia to gain organic certification for cotton. Other farmers are also well on their way to becoming officially organic.

During the next three years 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 in particular will be trained to produce ready-made organic pesticides to sell to other farmers.

Since TRAID funded this project, the average net income of these farmers has been 40% higher than that of neighbouring farmers producing conventional cotton, this has been consistent over the whole project.

As well as supporting small-scale farmers to grow organic, the project has worked with a plantation farm called 'Lucy' to grow and manage 244 hectares of cotton, without using any pesticides. They will be eligible to apply for certification at the end of 2020 and it will prove that organic cotton can also be done at scale.

Fairtrade Foundation and Pratibha Syntex

Partner website: www.fairtrade.org.uk

There is a global shortage of non-GM (genetically modified) cotton seed, which must be used to grow organic cotton.

TRAID is funding the Fairtrade Foundation project with Pratibha Syntex to support cotton farmers at the Vasudha co-operative in Madhyapradesh, India to breed non-GM seeds so they can have more choice over how they farm.

The breeding programme to produce non-GM seed is led by a professional seed breeder and by the end of the 2017, the fields had been prepared, seeds treated and sown, and successfully germinated.

In the first year of the project, around 1500 farmers had access to 9,200 organic seed packets produced by their own cooperative. Having access to non-GM seeds will bring all the environmental and health benefits of growing organic plus a higher price for their

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

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

FOR THE YEAR ENDED 31 DECEMBER 2020

cotton. The project will also help cotton farmers in the co-operative to benefit from improved access to high-value UK Fairtrade markets.

The project has now produced its own packaged seeds for sale, they have been bred to be pest resistant, drought tolerant and to grow plants that will be easy to harvest.

READ

Partner website: N/A

In Tamil Nadu, South India, girls and young women are working in appalling conditions in spinning mills making clothes for big brands and retailers under a scheme called Sumangali Thittam (marriage plans). Recruiter's target poverty-stricken families promising their daughters will be given decent wages, good accommodation and a lump sum payment at the end of a three-to-five-year contract. This sum can be used for a marriage dowry which these families could not otherwise afford.

The reality is that the girls live in mills in squalid, cramped hostels paying for housing and food costs from their already tiny wages. They work long hours with forced overtime, are closely supervised and are allowed little contact with the outside world, including their families. Their isolation leaves these girls vulnerable to verbal, physical and sexual abuse. Few girls ever receive the bonus payment as they are fired just before the end of their contract or leave due to ill-health, injury, or depression.

The project makes poor families aware of the reality of the scheme, pressuring the state government to implement and enforce labour legislation and lobbies the national government to adhere to UN guiding principles on Business and Human Rights. Vitrally, the project-built relationships with spinning mills, and has worked with management and owners to improve their practices to establish five 'model mills' which are free from child labour with good pay and conditions. Very young and vulnerable girls are given training for alternative employment or reintegrated into the school system.

FINANCIAL REVIEW

For the year ended 31st December 2020, TRAIID had incoming resources of £5,303,317 down 16.2% on the previous year (2019: £6,335,616), reflecting the ongoing strength of the retail revenue stream. Total resources expended were £5,691,592, down 2.4% on the previous year (2019: £5,835,683), largely reflecting increased investment in staff to support the revenue generating activities and increased investment in overseas projects.

At 31st December 2020 net assets amounted to £4,844,165 (2019: £5,232,440) of which general unrestricted funds totalled £4,104,392 (2019: £4,118,438) and designated funds totalled £739,773 (2019: £1,114,002). TRAIID's bank balance was £5,124,406 (2019: £4,681,176). This balance was sufficient to cover the six months operating costs (estimated to be £3,191,721) as per TRAIID's reserves policy.

Plans for the future

It is assumed that 2021 will continue being a year of unknown impacts in relation to COVID.

The charity's immediate focus will be on recovering from the significant financial impact of the pandemic. This will be done by maintaining and building on existing good working practices and increased tight financial scrutiny to ensure the charity efficiently continues to meet its charitable objectives and obligations.

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

New project partner funding will continue being agreed on a one-year basis, this will ensure commitments can be met with the minimum impact on funding recipients.

TRAIID will continue its work of offering easy and innovative ways for the UK public to act responsibly and sustainably with their unworn clothes, through 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.

In light of COVID's impact on social gatherings and working remotely, TRAIID's educational methodology will be reviewed at the appropriate opportunity.

Volunteering contribution

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

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

FOR THE YEAR ENDED 31 DECEMBER 2020

Volunteers are welcome across all TRAIID departments. In 2020 TRAIID supported 92 volunteers who contributed 375 days to its charitable work. Due to COVID the number of volunteer days contributed decreased by 1,207.

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 and to cope with unforeseen risks.

Based on good practice of retaining six months reserves, TRAIID's six-month operating costs during 2020 totalled £3,191,721. At the end of 2020 TRAIID concluded with a full complement of reserves.

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

Covid-19

The Trustees have considered the effect of the Covid-19 outbreak that has been spreading throughout the world since early 2020 on the Charity's activities. The outbreak has caused significant disruption to the Charity's operations, in particular during the full "lockdown" periods in 2020 and in to 2021, as the charity's retail shops had to close.

A financial projection has been produced that incorporates forecasting the potential ongoing impacts of COVID-19 on TRAIID's profit, loss, cashflow and reserves. This is updated regularly and circulated to the Board of Trustees.

TRAIID has prepared financial projections that run from September 2021 – August 2022 and are based on 2019 performance. Incorporated is business as usual, reduced by 15% on like for like retail income for 2019 and new shop income from Lewisham and Walthamstow.

With no remedial action, the forecast gives a projected operational surplus for the period of £68,816.

Factoring in the already committed international development project spend of £48,746 and new spending (yet to be agreed by the board) of £499,000 this surplus reduces to an expected deficit of £478,930.

This scenario leaves the charity with a positive concluding cash balance of £3,221,408.

This scenario leaves a surplus on TRAIID six-month reserves policy of £143,872 with no further reserves set aside for the planned warehouse project due to the current financial losses.

Based on the above, 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 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

HW Fisher LLP 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.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

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

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Lekha Klouda
Chair of Trustees

Dated: 21 Sep 2021

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

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; 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 TRUSTEES 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 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including 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 charitable company's affairs as at 31 December 2020 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

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.

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

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.

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.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud;
- The charity did not inform us of any known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity; We determined that the following were most relevant: the Charity SORP, FRS 102, Charities Act 2011, Companies Act 2006, GDPR;
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly;
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual;
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied;
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates;
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations;
- Assessing the validity of the classification of income, expenditure, assets and liabilities between unrestricted and restricted funds;
- Testing key revenue lines, in particular cut-off, for evidence of management bias;
- Obtaining third-party confirmation of material bank balances;
- Documenting and verifying all significant related party balances and transactions.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with those charged with governance of the entity.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 P Mehta
Sailesh Mehta (Senior Statutory Auditor)
for and on behalf of HW Fisher LLP

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom
21 Sep 2021

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

Current financial year

		Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Total 2020 £	Total 2019 £
	Notes				
<u>Income and endowments from:</u>					
Voluntary income	3	792,156	-	792,156	-
Incoming resources from charitable activities	4	4,487,692	-	4,487,692	6,315,174
Investments	5	23,469	-	23,469	16,492
Other income	6	-	-	-	3,950
Total income		5,303,317	-	5,303,317	6,335,616
<u>Expenditure on:</u>					
<u>Charitable activities</u>					
Diverting clothes and shoes from landfill	7	4,939,568	254,259	5,193,827	5,231,212
Education on environmental and poverty issues	7	42,622	141	42,763	133,383
Overseas development projects	7	1,926	434,608	436,534	471,088
Total charitable expenditure		4,984,116	689,008	5,673,124	5,835,683
Other	12	18,468	-	18,468	-
Total resources expended		5,002,584	689,008	5,691,592	5,835,683
Net incoming resources before transfers		300,733	(689,008)	(388,275)	499,933
Gross transfers between funds		(314,779)	314,779	-	-
Net (expenditure)/income for the year/ Net movement in funds		(14,046)	(374,229)	(388,275)	499,933
Fund balances at 1 January 2020		4,118,438	1,114,002	5,232,440	4,732,507
Fund balances at 31 December 2020		4,104,392	739,773	4,844,165	5,232,440

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

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

Prior financial year

		Unrestricted funds general 2019 £	Unrestricted funds designated 2019 £	Total 2019 £
	Notes			
<u>Income and endowments from:</u>				
Incoming resources from charitable activities	4	6,315,174	-	6,315,174
Investments	5	16,492	-	16,492
Other income	6	3,950	-	3,950
Total income		6,335,616	-	6,335,616
<u>Expenditure on:</u>				
<u>Charitable activities</u>				
Diverting clothes and shoes from landfill	7	5,037,358	193,854	5,231,212
Education on environmental and poverty issues	7	132,630	753	133,383
Overseas development projects	7	35,257	435,831	471,088
Total charitable expenditure		5,205,245	630,438	5,835,683
Total resources expended		5,205,245	630,438	5,835,683
Net incoming resources before transfers		1,130,371	(630,438)	499,933
Gross transfers between funds		(973,503)	973,503	-
Net (expenditure)/income for the year/ Net movement in funds		156,868	343,065	499,933
Fund balances at 1 January 2019		3,961,570	770,937	4,732,507
Fund balances at 31 December 2019		4,118,438	1,114,002	5,232,440

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 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13		519,151		524,961
Current assets					
Debtors falling due after one year	14	75,901		50,901	
Debtors falling due within one year	14	566,252		478,259	
Cash at bank and in hand		5,124,406		4,681,176	
		5,766,559		5,210,336	
Creditors: amounts falling due within one year	16	(1,441,545)		(502,857)	
Net current assets			4,325,014		4,707,479
Total assets less current liabilities			4,844,165		5,232,440
Income funds					
<u>Unrestricted funds</u>					
Designated funds	18	739,773		1,114,002	
General unrestricted funds		4,104,392		4,118,438	
			4,844,165		5,232,440
			4,844,165		5,232,440

The financial statements were approved by the Trustees on 16 Sep 2021

Lekha Klouda

Ms Lekha Klouda

Trustee

Company Registration No. 02143753

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	22		223,223		603,136
Investing activities					
Purchase of tangible fixed assets		(248,710)		(390,390)	
Proceeds of disposal of tangible fixed assets		-		3,950	
Interest received		23,469		16,492	
Net cash used in investing activities			(225,241)		(369,948)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(2,018)		233,188
Cash and cash equivalents at beginning of year			4,681,176		4,447,988
Cash and cash equivalents at end of year			4,679,158		4,681,176
Relating to:					
Bank balances and short term deposits			5,124,406		4,681,176
Bank overdrafts			(445,248)		-

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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)" (effective from 1 January 2019). 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

The Trustees have considered the effect of the Covid-19 outbreak that has been spreading throughout the world since early 2020 on the Charity's activities. The outbreak has caused significant disruption to the Charity's operations, in particular during the full "lockdown" periods in 2020 and in to 2021, as the charity's retail shops had to close. However, upon re-opening each time, shop sales picked up, reaching 80-90% of like for like sales in the same period in 2019. Additionally, the Trustees have, and continue to take action in relation to expenditure to mitigate risks posed to the Charity. Based on financial projections made by the Charity and the availability of reserves, the Trustees have a reasonable expectation that the TRAIID has adequate resources to continue in operation for a minimum of twelve months from the date of approval of these financial statements and as such the financial statements continue to be prepared on the going concern basis. Further information is also provided in the Trustees' Report.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

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

1.4 Incoming resources

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

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

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

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 Resources expended

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

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

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

Governance includes the costs of compliance with constitutional and statutory requirements. 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.

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 and deposits held at call with banks.

1.9 Financial instruments

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

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.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

1.13 Government grants

The charity received government grants in the year, making use of the schemes the UK government brought into place for businesses during the Covid-19 pandemic.

Government grants received under the Coronavirus Job Retention Scheme, are recognised at the fair value of the grant received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants received from the Coronavirus Business Interruption Loan Scheme that cover interest and fees payable to the lender, are recognised at the fair value of the grant received or receivable when there is reasonable assurance that the grant conditions will be met and received.

For each of these schemes, the income is recognised in other income on a systematic basis over the periods in which the associated costs are incurred, using the accrual model.

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.

3 Voluntary income

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
COVID-19 related government grants	792,156	-
Grants receivable for core activities		
CJRS grant	664,688	-
Government retail grants	109,000	-
CBILS business interruption payments	18,468	-
	792,156	-

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Incoming resources from charitable activities

	Diverting clothes and shoes from landfill 2020 £	Diverting clothes and shoes from landfill 2019 £	Education on environmental and poverty issues 2019 £	Total 2019 £
Retail sales	3,290,644	5,355,540	-	5,355,540
Wholesale sales	1,051,057	881,446	-	881,446
Other income	145,991	77,128	1,060	78,188
	<u>4,487,692</u>	<u>6,314,114</u>	<u>1,060</u>	<u>6,315,174</u>

5 Investments

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
Interest receivable	<u>23,469</u>	<u>16,492</u>

6 Other income

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
Net gain on disposal of tangible fixed assets	<u>-</u>	<u>3,950</u>

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Charitable activities

	Diverting clothes and shoes from landfill 2020 £	Education on environmental and poverty issues 2020 £	Overseas development projects 2020 £	Total 2020 £	Diverting clothes and shoes from landfill 2019 £	Education on environmental and poverty issues 2019 £	Overseas development projects 2019 £	Total 2019 £
Staff costs	2,626,778	21,836	95	2,648,709	2,565,793	88,110	29,030	2,682,933
Depreciation and impairment	236,361	-	-	236,361	170,265	-	-	170,265
Carriage and freight	10,481	-	-	10,481	8,036	-	-	8,036
Rent	1,299,985	-	-	1,299,985	1,171,946	-	-	1,171,946
Other costs	243,109	18,641	-	261,750	272,798	33,760	2,681	309,239
Clothing costs	211,878	-	-	211,878	161,843	-	-	161,843
Rates	44,813	-	-	44,813	111,079	-	-	111,079
Light and heat	100,588	-	-	100,588	150,113	-	-	150,113
Consultancy	71,521	-	-	71,521	184,879	-	-	184,879
Repairs and maintenance	58,871	-	-	58,871	73,582	-	-	73,582
	<u>4,904,385</u>	<u>40,477</u>	<u>95</u>	<u>4,944,957</u>	<u>4,870,334</u>	<u>121,870</u>	<u>31,711</u>	<u>5,023,915</u>
Grant funding of activities (see note 8)	-	-	434,487	434,487	-	-	435,583	435,583
Share of support costs (see note 9)	274,466	2,168	1,851	278,485	346,301	11,048	3,641	360,990
Share of governance costs (see note 9)	14,976	118	101	15,195	14,577	465	153	15,195
	<u>5,193,827</u>	<u>42,763</u>	<u>436,534</u>	<u>5,673,124</u>	<u>5,231,212</u>	<u>133,383</u>	<u>471,088</u>	<u>5,835,683</u>
Analysis by fund								
Unrestricted funds - general	4,939,568	42,622	1,926	4,984,116	5,037,358	132,630	35,257	5,205,245
Unrestricted funds - designated	254,259	141	434,608	689,008	193,854	753	435,831	630,438
	<u>5,193,827</u>	<u>42,763</u>	<u>436,534</u>	<u>5,673,124</u>	<u>5,231,212</u>	<u>133,383</u>	<u>471,088</u>	<u>5,835,683</u>

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Grants payable

	2020 £	2019 £
Grants to institutions:		
Pan UK	238,332	165,582
Goodweave	-	10,000
ChildHope	69,996	74,723
Arogya Agam	800	6,000
READ - Rights Education and Development Centre	32,704	48,808
Fairtrade	82,655	37,297
AMMA & Tea Leaf Trust	10,000	8,160
Traidcraft Exchange	-	75,013
Nagorik Uddyog	-	10,000
	<u>434,487</u>	<u>435,583</u>

9 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Staff costs	203,702	-	203,702	243,888	-	243,888
Depreciation	18,159	-	18,159	24,590	-	24,590
Other costs	56,624	-	56,624	92,512	-	92,512
Audit fees	-	15,195	15,195	-	15,195	15,195
	<u>278,485</u>	<u>15,195</u>	<u>293,680</u>	<u>360,990</u>	<u>15,195</u>	<u>376,185</u>
Analysed between						
Charitable activities	<u>278,485</u>	<u>15,195</u>	<u>293,680</u>	<u>360,990</u>	<u>15,195</u>	<u>376,185</u>

10 Trustees

None of the trustees received remuneration for their services during the year (2019: £nil).

None of the trustees were reimbursed for any expenses during the year (2019: £nil).

The charitable company did pay for trustees indemnity insurance during the year for the premium of £444 (2019: £444).

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Shops	78	71
Collecting, sorting and distribution	45	45
Education	2	2
Overseas development	-	1
Management and administration	5	6
Recycling	3	3
	<u>133</u>	<u>128</u>

Employment costs

	2020 £	2019 £
Wages and salaries	2,594,190	2,650,861
Social security costs	210,580	228,076
Other pension costs	47,641	47,884
	<u>2,852,411</u>	<u>2,926,821</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 £439,571 (2019: £511,883). The trustees received no remuneration during the year (2019: nil).

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

	2020 Number	2019 Number
£60,000 - £69,999	1	1
£80,000 - £89,999	1	-
£90,000 - £99,999	-	1
	<u></u>	<u></u>

Contributions totalling £10,167 (2019: £9,417) 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 2020

12 Other

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
Financing costs	18,468	-

13 Tangible fixed assets

	Containers £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2020	493,175	1,101,459	429,355	2,023,989
Additions	-	187,661	61,049	248,710
At 31 December 2020	493,175	1,289,120	490,404	2,272,699
Depreciation and impairment				
At 1 January 2020	493,175	820,044	185,809	1,499,028
Depreciation charged in the year	-	156,249	98,271	254,520
At 31 December 2020	493,175	976,293	284,080	1,753,548
Carrying amount				
At 31 December 2020	-	312,827	206,324	519,151
At 31 December 2019	-	281,415	243,546	524,961

14 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	80,268	51,772
Other debtors	78,516	104,451
Prepayments and accrued income	407,468	322,036
	566,252	478,259
Amounts falling due after more than one year:		
Other debtors	75,901	50,901
Total debtors	642,153	529,160

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Debtors (Continued)

Other debtors of £75,901 (2019: £50,901) 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.

15 Loans and overdrafts

	2020 £	2019 £
Bank overdrafts	445,248	-
Payable within one year	445,248	-

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

16 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank overdrafts	15	445,248	-
Other taxation and social security		52,292	60,160
Government grants		2,156	-
Trade creditors		529,723	145,444
Accruals and deferred income		412,126	297,253
		1,441,545	502,857

17 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 2020 were £47,641 (2019: £47,884).

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 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 2020 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 2020 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 2019	Resources expended	Transfers	Balance at 1 January 2020	Resources expended	Transfers	Balance at 31 December 2020
	£	£	£	£	£	£	£
Fixed Asset							
Fund	329,426	(194,855)	390,390	524,961	(254,520)	248,710	519,151
Pan UK	204,100	(165,582)	315,652	354,170	(238,333)	-	115,837
Goodweave	10,000	(10,000)	-	-	-	-	-
AMMA/Tea Leaf	3,160	(8,160)	30,000	25,000	(10,000)	-	15,000
ChildHope	32,726	(74,723)	80,993	38,996	(69,996)	56,972	25,972
Arogya Agam	6,000	(6,000)	-	-	(800)	800	-
READ	73,215	(48,808)	-	24,407	(32,704)	8,297	-
Fairtrade	37,297	(37,297)	146,468	146,468	(82,655)	-	63,813
Nagorik Uddyog		(10,000)	10,000				
Traidcraft							
Exchange	75,013	(75,013)					
	<u>770,937</u>	<u>(630,438)</u>	<u>973,503</u>	<u>1,114,002</u>	<u>(689,008)</u>	<u>314,779</u>	<u>739,773</u>

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Designated funds

(Continued)

Fixed Asset Fund

This represents the net book value of the fixed assets at 31 December 2020.

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 Arogya Agam

The project campaigns to improve the rights and representation of the most marginalised textile workers in Tamil Nadu, South India with a focus on ending the practice of girls working in spinning mills for three-years in return for a lump sum payment. This phase of the project builds on its work to also address the exploitation of inter-state migrant, as well as local workers, and aims to benefits around 17,500 workers.

Fairtrade Foundation and Pratibha Syntex

The grant aims to provide cotton farmers at the Vasusha co-operative in Madhya Pradesh, India, with access to high quality non-GM cotton seed, so they can grow organically and sustainably. Access to non-GM seeds will bring all the environmental and health benefits of growing organic, plus a higher price for the farmer's 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 incomes of small holder cotton farmers in Benin and Ethiopia by reducing their use of hazardous pesticides and fertilisers, and ultimately, growing organically. The project 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 pesticide poisoning and environmental harm will decrease.

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.

19 Analysis of net assets between funds

	Unrestricted funds 2020 £	Designated funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Designated funds 2019 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:						
Tangible assets	-	519,151	519,151	-	524,961	524,961
Current assets/(liabilities)	3,439,704	220,622	4,325,014	4,118,438	589,041	4,707,479
	<u>3,439,704</u>	<u>739,773</u>	<u>4,844,165</u>	<u>4,118,438</u>	<u>1,114,002</u>	<u>5,232,440</u>

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20 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:

	2020 £	2019 £
Within one year	1,134,518	1,272,107
Between two and five years	3,073,337	3,738,105
In over five years	1,699,000	2,161,667
	<u>5,906,855</u>	<u>7,171,879</u>

21 Related party transactions

There were no related party transactions in the year (2019: none).

22 Cash generated from operations

	2020 £	2019 £
(Deficit)/surplus for the year	(388,275)	499,933
Adjustments for:		
Investment income recognised in statement of financial activities	(23,469)	(16,492)
Gain on disposal of tangible fixed assets	-	(3,950)
Depreciation and impairment of tangible fixed assets	254,520	194,855
Movements in working capital:		
(Increase)/decrease in debtors	(112,993)	56,191
Increase/(decrease) in creditors	491,284	(127,401)
Increase in deferred income	2,156	-
Cash generated from operations	<u>223,223</u>	<u>603,136</u>

23 Analysis of changes in net funds

The charity had no debt during the year.