

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. TRAIID is a registered charity (registered charity number 297489) and is constituted as a company registered in England and limited by guarantee (registration number 2143753).

As stated in its Memorandum and Articles of Association, the purposes for which TRAIID is established are 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 TRAIID 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 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:

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.

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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

TRAID 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

TRAID 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.

TRAID'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.

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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.

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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

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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

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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.

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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.

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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	Education on environmental and poverty issues	Overseas development projects	Total 2020	Diverting clothes and shoes from landfill	Education on environmental and poverty issues	Overseas development projects	Total 2019
	2020	2020	2020		2019	2019	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.