

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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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.

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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.

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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.

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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.

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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.

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.

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 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

TRAIID 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.

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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

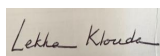
HW Fisher LLP were appointed auditors to the company. A resolution proposing that they will be re-appointed as auditors of the company will be put to the Annual General Meeting.

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

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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.

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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;
- 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.

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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.

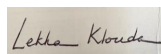
TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

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 2021 £	Overseas development projects 2021 £	Total 2021 £	Diverting clothes and shoes from landfill 2020 £	Education on environmental and poverty issues 2020 £	Overseas development projects 2020 £	Total 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
<hr/>			
24	Analysis of changes in net funds		
	The charity had no debt during the year.		



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Date	Action
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