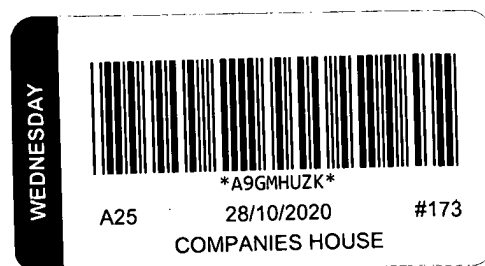


Charity Registration No. 297489

Company Registration No. 2143753 (England and Wales)

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019



TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms Lekha Klouda Mr Ian Hagg Mr Stephen Robertson Mr Andy Rutherford Miss Melinda Arin Bharti Ms Anna Katharine Lovell Mr Neil Carrett (Appointed 18 January 2020)
Secretary	Mrs Maria Chenoweth-Casey
Charity number	297489
Company number	2143753
Registered office	Second Floor 51-53 High Road London N22 6BH
Auditor	HW Fisher Acre House 11-15 William Road London NW1 3ER United Kingdom
Bankers	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 2019

The trustees present their report and financial statements for the year ended 31 December 2019.

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 which 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. TRAID is a registered charity (registered charity number 297489) and is constituted as a company registered in England and limited by guarantee (registration number 2143753). As stated in its Memorandum and Articles of Association, the purposes for which TRAID is established are given below.

The charity has three charitable objectives:

- a) To contribute to the conservation and protection of the physical and natural environment for the public benefit, through undertaking recycling including the provision of recycling facilities for textiles, and the promotion of the practice of recycling textiles, clothing and other items;
- b) To apply surplus income to the relief of poverty anywhere in the world;
- c) To advance the education of the public concerning recycling and world poverty through programmes of teaching, training, publishing, exhibitions, seminars and any other means of providing education services and resources.

TRAID provides the UK public with the means to donate the clothing they no longer wear through a nationwide network of clothes recycling banks, a regional free home collection service and London based charity shops.

Clothes are collected and sorted for resale in TRAID charity shops; remaining textile is sold wholesale for further reuse and recycling. These reuse operations have huge environmental and social benefits including: reducing the volume of textile entering the waste stream, reducing green-house gas emissions generated by textile in landfill, extending the lifecycle of clothing, encouraging the reuse of already existing resources rather than new, reducing consumption and raising surplus income to fund international development programmes that prevent exploitation and environmental damage across the textile supply and production chain.

TRAID also delivers in-depth education programmes giving people of all ages the tools to make informed choices about their clothing. Education programmes focus on the problems of textile waste, promoting reuse and recycling for a more sustainable future and raises awareness of the environmental and social justice impacts of the production and supply of clothes.

The Trustees

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

Ms Lekha Klouda (Serving Chair)
Mr Ian Hagg
Mr David Williams (Resigned 3 December 2019)
Mr Stephen Robertson
Mr Andy Rutherford
Ms Melinda Bharti
Ms Anna Katharine Lovell
Mr Neil Carrett (Appointed 18 January 2020)

The trustees may at their discretion admit any person who supports the objects of the charity, and particularly those with an interest or expertise in its work, to the Board.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

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

FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019 was as follows:

Maria Chenoweth	Chief Executive
Umashish Panda	Finance Manager
Enedina Columbano	Commercial Director
Angela Russ	International Development Manager
Leigh McAlea	Communications Manager
Andrea Speranza	Education and Campaigns Manager
Roberto Clemente	Logistics and Operations Manager
Jose Baladron	Recycling Development Manager
Rodrigo Flores	HR and Volunteer Recruitment Manager

The charity is managed by the Chief Executive in conjunction with the Board of Trustees and Senior Management Team. The Board of Trustees are responsible for governance, the Board and Chief Executive are responsible for the charity's strategic decisions, the Senior Management Team led by the Chief Executive, are responsible for meeting the aims and objectives of the charity.

The Board of Trustees establish appropriate reporting mechanisms to ensure that Senior Management 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)

FOR THE YEAR ENDED 31 DECEMBER 2019

Risk Management

The Board of Trustees have overall responsibility for TRAIID's process of controls, through which risk to the charity and its beneficiaries are measured. Risk management is expected to provide reasonable, rather than absolute, assurance against the misappropriation or ineffective use of resources, errors and fraud. The trustees and management team have identified and are managing both internal and external risk, through systems, control processes and strategic planning.

A detailed organisational risk register is held by the Board, the Chief Executive and the Senior Management Team. The Risk Register is reviewed annually ensuring systems and controls are in place to monitor, manage and reduce TRAIID's exposure to major risk. In addition, any new risks are identified in the quarterly management reports circulated to the Board.

- Principal Risks

TRAIID reviews its risks annually and in 2019 the following principal risks were identified:

- Decreased available recycling sites due to Councils, supermarkets and Local Authorities tendering out public clothing collections.
- Change in market conditions relating to warehousing with more demand than supply.
- Change in market conditions leading to the decrease in value of second-hand clothing with the wholesale market.

Grant Making Policy

TRAIID makes grants to external charity partners who deliver carefully considered international development programmes. In 2019, TRAIID continued to focus its funding on combating the negative impacts of the clothing supply chain.

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

Through its textile recycling banks and home collection service, in 2019 TRAIID collected 2,797 tonnes of the UK's unworn clothing.

Based on WRAP's clothing calculator:

The environmental benefit of collecting 2,797 tonnes of clothing is a water saving of 4,475,200 litres and 26,571 of carbon/CO2.

Through its shops and media, TRAIID continued to champion secondhand clothing over new, promoting and offering the public an environmental alternative to donate and purchase their preloved clothes.

Educating the public

In 2019 TRAIID completed its work on an educational toolkit aimed at KS3 and KS4 teachers, the toolkit can also be adapted for community leaders to communicate to a broader age range and demographic.

TRAIID also continued to work with schools, universities and organisational affiliates in tandem with the continued running of the 23% campaign. The 23% campaign is aimed at raising awareness of the % of unused clothing people have and increasing donations to TRAIID.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

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

FOR THE YEAR ENDED 31 DECEMBER 2019

International development

In 2019, TRAIID made new funding commitments of £578,563. The criteria for considering international funding applications are published annually.

Projects funded:

AMMA - £30,000

Partner website: <https://www.ammasrilanka.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 beautiful and 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, and to become a recognised name in sustainable textile design. Over the next three years, they aim to employ 50 women.

The project is based in the Nuwara Eliya Region of Sri Lanka, a beautiful area benefitting from medium and high value tourism. We hope AMMA products will be bought by foreign and Sri Lankan tourists alike.

Childhope - £65,000 + £15,992 for Rickshaws

Partner website: www.childhope.org.uk

The rapid expansion of the garment industry in Bangladesh has provided opportunities for women to earn a living; however, it has also had a seriously negative impact on their children.

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.

TRAIID funding has also enabled Nagorik Uddyog to buy birth certificates for 309 children, without which they were not recognised as citizens and unable to use state education or state health-care. [Watch short animation films](#) made by the children about why birth certificates are so important.

TRAIID funding is also providing six rickshaw school vehicles to take 45 children to and from school to address the barrier that there is no one to take them as garment factory working hours are so long. With literacy and numeracy skills, they will have a much better chance of ending up in safer and better paid jobs than their parents.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

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

FOR THE YEAR ENDED 31 DECEMBER 2019

Pesticide Action Network £306,652

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 supports 3,700 farmers, most of whom have been certified organic. These organic cotton farmers have experienced 65% higher net income per hectare of cotton due to lower input costs and a 20% premium for their cotton.

Over the next two-years, the project aims for the remaining farmers to become certified – the organic certification process takes three-years – while also adding another 500 farmers to the programme.

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.

This project is anticipated to benefit 1,500 farmers including around 600 women, 6,750 family members who have an increased family income and are not exposed to pesticide health hazards, and 500 shea and cashew farmers who will see increased incomes.

Fairtrade Foundation and Pratibha Syntex £146,468

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, Fairtrade and Cotton Made in Africa cotton. Nearly two thirds of all cotton grown worldwide is now GM.

This has totally changed the seed industry with large companies no longer offering non-GM varieties. Even where they are available, they are bred for high-input agriculture which means farmers using synthetic fertilisers, pesticides and irrigation.

TRAID is funding the Fairtrade Foundation's 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-GEM 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 cotton. The project will also help cotton farmers in the co-operative to benefit from improved access to high-value UK Fairtrade markets.

Excitingly, the project has now produced its own packaged seeds for sale which have been developed with input from some of the project's 'star' farmers who have trialled the seeds over several seasons. The seeds are sold for Rs600 a packet, the equivalent packet of GM seeds costs Rs730. They have been bred to be pest resistant, drought tolerant and to grow plants that will be easy to harvest.

Madhya Pradesh where the project is based produces 23% of the world's organic cotton and this work is ensuring farmers can continue to access non-GM seed to push back against chemical pesticides for an organic future. We are hopeful.

Partner knowledge exchange £14,451

TRAID gave a grant to the organic cotton accelerator. The OCA was set up with the aim of bringing organic cotton into the mainstream, holding conferences to bring market players together and identifying the obstacles faced by organic cotton.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

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

FOR THE YEAR ENDED 31 DECEMBER 2019

PAN Benin and Ethiopia went to visit Pratibha's seed breeding for the purposes of shared learning relating to organic cotton production.

Financial Review

For the year ended 31st December 2019, TRAIID had incoming resources of £6,335,616 up 8.9% on the previous year (2018: £5,817,024), reflecting the ongoing strength of the retail revenue stream. Total resources expended were £5,835,683, up 9.2% on the previous year (2018: £5,341,994), largely reflecting increased investment in staff to support the revenue generating activities and increased investment in overseas projects.

At 31st December 2019 net assets amounted to £5,232,440 (2018: £4,732,507) of which general unrestricted funds totalled £4,118,439 (2018: £3,961,570) and designated funds totalled £1,114,001 (2018: £770,937). TRAIID's bank balance was £4,681,176. This balance was sufficient to cover the six months operating costs (estimated to be £2,706,533) as per TRAIID's reserves policy and the outstanding development funding commitments of £559,566.

Plans for the future

Looking to 2020, TRAIID will continue to meet its three charitable objectives; the protection of the environment through its recycling activities, to educate the public through its educational activities and the relief of poverty through funding international development programmes.

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

TRAIID's educational outreach will continue to address changes in environmental and social behavior through creating educational tools for social engagement and relevant campaigns.

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.

Volunteering contribution

Volunteers are welcome across all TRAIID departments. In 2019 TRAIID supported 254 volunteers who contributed 12,656 hours to its charitable work.

Reserves Policy

It is the policy of TRAIID that unrestricted funds should be maintained to ensure that the Charity remains able to continue supporting its charitable activities and to cope with unforeseen risks. The Board decided in May 2019 that in view of the necessity of planning to meet future warehousing needs, the general reserves could be reduced to 4 months operating expenditure (amounting to £1,804,355) with the balance of the reserves provisionally earmarked for the warehouse project. During 2019 TRAIID's reserves policy was met.

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 in 2020 on the Charity's activities. The outbreak has caused some disruption to the Charity's operations and the level of significance will be dependent upon the length of time the disruption continues. The Trustees have, and continue to take action in relation to expenditure to mitigate the risk to the Charity.

A financial projection has been produced that incorporates forecasting what the potential impacts of COVID-19 will be on TRAIID's profit, loss, cashflow and reserves.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

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

FOR THE YEAR ENDED 31 DECEMBER 2019

The financial projection runs from September 2020 – August 2021 based on 2019 performance. Incorporated is business as usual, expenditure and incoming textile yields with reduced like for like retail income of 20%, the closure of the Harrow shop due to lease end in April 2021 and new shop income of Lewisham and Walthamstow.

The 20% projected reduction of retail sales is based on retail performance under COVID-19 conditions in July/August 2020. It also takes account of periods of further reduction in income for example during busy sale periods when safe distancing measures will reduce the normally high volumes of transactions. In addition the regular November sale will not take place in 2020 due to the lack of sorting during lockdown.

With no remedial action, the forecast gives a projected deficit for the period of -£501,830.

Factoring the already committed international project spend of £251,301 and new spending (yet to be agreed by the board) of £120,000 the annual deficit increases to -£873,131.

This scenario leaves the charity with a positive concluding cash balance of £2,548,586.

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 has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditor

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

Funds Held as Custodian Trustees on behalf of others

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

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

On behalf of the Board of Trustees



Lekha Klouda
Chair of Trustees

Dated: 17 Sept 2020

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

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 MEMBERS OF TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

Opinion

We have audited the financial statements of Textile Reuse and International Development (the 'charity') for the year ended 31 December 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' Report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.

Salleesh Mehra (Senior Statutory Auditor)
for and on behalf of HW Fisher

Chartered Accountants

Statutory Auditor

Acre House

11-15 William Road

London

NW1 3ER

United Kingdom

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October 2020

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

		Unrestricted funds general 2019 £	Unrestricted funds designated 2019 £	Total 2019 £	Unrestricted funds general 2018 £	Unrestricted funds designated 2018 £	Total 2018 £
Notes							
Income and endowments from:							
Incoming resources from charitable activities	3	6,315,174	-	6,315,174	5,805,749	-	5,805,749
Investments	4	16,492	-	16,492	9,330	-	9,330
Other income	5	3,950	-	3,950	1,945	-	1,945
Total income		6,335,616	-	6,335,616	5,817,024	-	5,817,024
Expenditure on:							
Charitable activities							
Diverting clothes and shoes from landfill	6	5,037,358	193,854	5,231,212	4,777,568	232,572	5,010,140
Education on environmental and poverty issues	6	132,630	753	133,383	49,096	422	49,518
Overseas development projects	6	35,257	435,831	471,088	35,339	246,997	282,336
Total charitable expenditure		5,205,245	630,438	5,835,683	4,862,003	479,991	5,341,994
Net incoming resources before transfers		1,130,371	(630,438)	499,933	955,021	(479,991)	475,030
Gross transfers between funds		(973,503)	973,503	-	(466,544)	466,544	-
Net income for the year/ Net movement in funds		156,868	343,065	499,933	488,477	(13,447)	475,030
Fund balances at 1 January 2019		3,961,570	770,937	4,732,507	3,473,093	784,384	4,257,477
Fund balances at 31 December 2019		4,118,438	1,114,002	5,232,440	3,961,570	770,937	4,732,507

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 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	11		524,961		329,426
Current assets					
Debtors falling due after one year	12	50,901		30,901	
Debtors falling due within one year	12	478,259		554,450	
Cash at bank and in hand		4,681,176		4,447,988	
		5,210,336		5,033,339	
Creditors: amounts falling due within one year	13	(502,857)		(630,258)	
Net current assets			4,707,479		4,403,081
Total assets less current liabilities			5,232,440		4,732,507
Income funds					
<u>Unrestricted funds</u>					
Designated funds	15	1,114,002		770,937	
General unrestricted funds		4,118,438		3,961,570	
			5,232,440		4,732,507
			5,232,440		4,732,507

The financial statements were approved by the Trustees on 17 Sept 2020

Lekha Klouda

Ms Lekha Klouda
Trustee

Company Registration No. 2143753

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	20		603,136		713,056
Investing activities					
Purchase of tangible fixed assets		(390,390)		(125,645)	
Proceeds of disposal of tangible fixed assets		3,950		12,140	
Interest received		16,492		9,330	
Net cash used in investing activities			(369,948)		(104,175)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			233,188		608,881
Cash and cash equivalents at beginning of year			4,447,988		3,839,107
Cash and cash equivalents at end of year			<u>4,681,176</u>		<u>4,447,988</u>

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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 in 2020 on the Charity's activities. The outbreak caused significant disruption to the Charity's operations during the full "lockdown" period as the charity's retail shops had to close. However, the shops re-opened in July 2020 and sales thus far have 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 the risk to the Charity. 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 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 2019

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 2019

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.

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 Incoming resources from charitable activities

	Diverting clothes and shoes from landfill 2019 £	Education on environmental and poverty issues 2019 £	Total 2019 £	Diverting clothes and shoes from landfill 2018 £	Education on environmental and poverty issues 2018 £	Total 2018 £
Retail sales	5,355,540	-	5,355,540	4,942,335	-	4,942,335
Wholesale sales	881,446	-	881,446	783,787	-	783,787
Other income	77,128	1,060	78,188	74,389	5,238	79,627
	<u>6,314,114</u>	<u>1,060</u>	<u>6,315,174</u>	<u>5,800,511</u>	<u>5,238</u>	<u>5,805,749</u>

4 Investments

	Unrestricted funds general 2019 £	Unrestricted funds general 2018 £
Interest receivable	<u>16,492</u>	<u>9,330</u>

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

5 Other income

	Unrestricted funds general 2019 £	Unrestricted funds general 2018 £
Net gain on disposal of tangible fixed assets	3,950	1,945

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

6 Charitable activities

	Diverting clothes and shoes from landfill 2019 £	Education on environmental and poverty issues 2019 £	Overseas development projects 2019 £	Total 2019 £	Diverting clothes and shoes from landfill 2018 £	Education on environmental and poverty issues 2018 £	Overseas development projects 2018 £	Total 2018 £
Staff costs	2,565,793	88,110	29,030	2,682,933	2,340,254	38,243	24,851	2,403,348
Depreciation and impairment	170,265	-	-	170,265	212,124	-	-	212,124
Carriage and freight	8,036	-	-	8,036	14,088	-	-	14,088
Rent	1,171,946	-	-	1,171,946	1,146,805	-	-	1,146,805
Other costs	272,798	33,760	2,681	309,239	330,804	2,674	7,631	341,109
Clothing costs	161,843	-	-	161,843	198,400	-	-	198,400
Rates	111,079	-	-	111,079	108,364	-	-	108,364
Light and heat	150,113	-	-	150,113	136,478	-	-	136,478
Consultancy	184,879	-	-	184,879	101,975	-	-	101,975
Repairs and maintenance	73,582	-	-	73,582	71,332	-	-	71,332
	<u>4,870,334</u>	<u>121,870</u>	<u>31,711</u>	<u>5,023,915</u>	<u>4,660,624</u>	<u>40,917</u>	<u>32,482</u>	<u>4,734,023</u>
Grant funding of activities (see note 7)	-	-	435,583	435,583	-	-	246,787	246,787
Share of support costs (see note 8)	346,301	11,048	3,641	360,990	336,211	8,273	2,950	347,434
Share of governance costs (see note 8)	14,577	465	153	15,195	13,305	328	117	13,750
	<u>5,231,212</u>	<u>133,383</u>	<u>471,088</u>	<u>5,835,683</u>	<u>5,010,140</u>	<u>49,518</u>	<u>282,336</u>	<u>5,341,994</u>
Analysis by fund								
Unrestricted funds - general	5,037,358	132,630	35,257	5,205,245	4,777,568	49,096	35,339	4,862,003
Unrestricted funds - designated	193,854	753	435,831	630,438	232,572	422	246,997	479,991
	<u>5,231,212</u>	<u>133,383</u>	<u>471,088</u>	<u>5,835,683</u>	<u>5,010,140</u>	<u>49,518</u>	<u>282,336</u>	<u>5,341,994</u>

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

7 Grants payable

	2019 £	2018 £
Grants to institutions:		
Pan UK	165,582	68,588
Goodweave	10,000	20,000
ChildHope	74,723	68,339
Arogya Agam	6,000	5,000
READ - Rights Education and Development Centre	48,808	48,808
Fairtrade	37,297	29,554
Tea Leaf	8,160	6,840
University of Abomey-Calavi, Benin	-	10,000
WOW NGWF	-	(10,342)
Traidcraft Exchange	75,013	-
Nagorik Uddyog	10,000	-
	<u>435,583</u>	<u>246,787</u>

8 Support costs

	Support costs £	Governance costs £	2019 £	Support costs £	Governance costs £	2018 £
Staff costs	243,888	-	243,888	233,252	-	233,252
Depreciation	24,590	-	24,590	21,080	-	21,080
Other costs	92,512	-	92,512	93,102	-	93,102
Audit fees	-	15,195	15,195	-	13,750	13,750
	<u>360,990</u>	<u>15,195</u>	<u>376,185</u>	<u>347,434</u>	<u>13,750</u>	<u>361,184</u>
Analysed between						
Charitable activities	<u>360,990</u>	<u>15,195</u>	<u>376,185</u>	<u>347,434</u>	<u>13,750</u>	<u>361,184</u>

9 Trustees

None of the trustees received remuneration for their services during the year (2018: £nil).

None of the trustees were reimbursed for any expenses during the year (2018: £nil).

The charitable company did pay for trustees indemnity insurance during the year for the premium of £444 (2018: £391).

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Shops	71	66
Collecting, sorting and distribution	45	37
Education	2	3
Overseas development	1	1
Management and administration	6	4
Recycling	3	3
	<u>128</u>	<u>114</u>

Employment costs

	2019 £	2018 £
Wages and salaries	2,650,861	2,364,508
Social security costs	228,076	203,080
Other pension costs	47,884	69,012
	<u>2,926,821</u>	<u>2,636,600</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 £511,883 (2018: £476,934). The trustees received no remuneration during the year (2018: nil).

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

	2019 Number	2018 Number
£60,000 - £69,999	1	1
£90,000 - £99,999	1	1

Contributions totalling £9,417 (2018: £19,072) 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 2019

11 Tangible fixed assets

	Containers	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2019	493,175	949,736	216,387	1,659,298
Additions	-	151,723	238,667	390,390
Disposals	-	-	(25,699)	(25,699)
At 31 December 2019	493,175	1,101,459	429,355	2,023,989
Depreciation and impairment				
At 1 January 2019	493,175	696,688	140,009	1,329,872
Depreciation charged in the year	-	123,356	71,499	194,855
Eliminated in respect of disposals	-	-	(25,699)	(25,699)
At 31 December 2019	493,175	820,044	185,809	1,499,028
Carrying amount				
At 31 December 2019	-	281,415	243,546	524,961
At 31 December 2018	-	253,048	76,378	329,426

12 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	51,772	90,519
Other debtors	104,451	95,263
Prepayments and accrued income	322,036	368,668
	478,259	554,450
Amounts falling due after more than one year:		
Other debtors	50,901	30,901
Total debtors	529,160	585,351

Other debtors of £50,901 (2018: £30,901) 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.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

13 Creditors: amounts falling due within one year

	2019	2018
	£	£
Other taxation and social security	60,160	103,981
Trade creditors	145,444	247,791
Accruals and deferred income	297,253	278,486
	<u>502,857</u>	<u>630,258</u>

14 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 2019 were £47,884 (2018: £69,012)

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

15 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 2019 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 2019 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 2018	Resources expended	Transfers	Balance at 1 January 2019	Resources expended	Transfers	Balance at 31 December 2019
	£	£	£	£	£	£	£
Fixed Asset Fund	447,179	(233,203)	115,450	329,426	(194,855)	390,390	524,961
Pan UK	-	(68,588)	272,688	204,100	(165,582)	315,652	354,170
University of Abomey-Calavi, Benin	10,000	(10,000)	-	-	-	-	-
Goodweave	30,000	(20,000)	-	10,000	(10,000)	-	-
WOW NGWF	-	10,342	(10,342)	-	-	-	-
Tea Leaf	-	(6,840)	10,000	3,160	(8,160)	30,000	25,000
ChildHope	97,331	(68,340)	3,735	32,726	(74,723)	80,993	38,996
Arogya Agam	11,000	(5,000)	-	6,000	(6,000)	-	-
READ	122,023	(48,808)	-	73,215	(48,808)	-	24,407
Fairtrade	66,851	(29,554)	-	37,297	(37,297)	146,468	146,468
Traidcraft Exchange	-	-	75,013	75,013	(75,013)	-	-
Nagorik Uddyog	-	-	-	-	(10,000)	10,000	-
	<u>784,384</u>	<u>(479,991)</u>	<u>466,544</u>	<u>770,937</u>	<u>(630,438)</u>	<u>973,503</u>	<u>1,114,002</u>

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

15 Designated funds

(Continued)

Fixed Asset Fund

This represents the net book value of the fixed assets at 31 December 2019.

Pan UK

Reducing or stopping the use of synthetic fertilisers and pesticides, and improving farming methods in cotton farming in Benin and Ethiopia. As a result yields will be improved, pesticide poisoning will be stopped and environmental degradation reversed.

University of Abomey-Calavi, Benin – Pesticide Research

Research to determine the extent of under reporting of acute pesticide poisoning among cotton farmers in Benin.

Goodweave

Grants made to restore the lives of carpet and rug weavers following the 2015 earthquake in Nepal.

WOW NGFWF

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

Tea Leaf

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

ChildHope and Nagorik Uddyog

Four centres will be established for children of garment workers in Bangladesh who would otherwise be on the streets, left home alone or working in unsafe conditions: children of 2-5 years will be prepared for government primary schools; children of 6-16 years will receive non-formal remedial education and life-skills training.

READ and Arogya Agam

The project campaigning to end the practice of girls working in spinning mills of south India in return for a lump sum at the end of a three year period will continue for another three years with this grant. The project is implemented by READ with consultancy support from a larger NGO based in Tamil Nadu, Arogya Agam.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

15 Designated funds

(Continued)

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.

Traidcraft Exchange

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

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Total	Unrestricted funds	Designated funds	Total
	2019	2019	2019	2018	2018	2018
	£	£	£	£	£	£
Fund balances at 31 December 2019 are represented by:						
Tangible assets	-	524,961	524,961	-	329,426	329,426
Current assets/(liabilities)	4,118,438	589,041	4,707,479	3,961,570	441,511	4,403,081
	<u>4,118,438</u>	<u>1,114,002</u>	<u>5,232,440</u>	<u>3,961,570</u>	<u>770,937</u>	<u>4,732,507</u>

17 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:

	2019 £	2018 £
Within one year	1,272,107	1,053,478
Between two and five years	3,738,105	3,129,792
In over five years	2,161,667	2,393,875
	<u>7,171,879</u>	<u>6,577,145</u>

18 Events after the reporting date

The Trustees have considered the effect of the Covid-19 outbreak that has been spreading throughout the world in 2020 on the Charity's activities. The outbreak caused significant disruption to the Charity's operations during the full "lockdown" period as the charity's retail shops had to close. However, the shops re-opened in July 2020 and sales thus far have 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 the risk to the Charity. 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. Further information is also provided in the Trustees' Report.

19 Related party transactions

There were no related party transactions in the year.

TEXTILE REUSE AND INTERNATIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

20	Cash generated from operations	2019 £	2018 £
	Surplus for the year	499,933	475,030
	Adjustments for:		
	Investment income recognised in statement of financial activities	(16,492)	(9,330)
	Gain on disposal of tangible fixed assets	(3,950)	(1,945)
	Depreciation and impairment of tangible fixed assets	194,855	233,204
	Movements in working capital:		
	Decrease/(increase) in debtors	56,191	(118,819)
	(Decrease)/increase in creditors	(127,401)	134,916
	Cash generated from operations	603,136	713,056
21	Analysis of changes in net funds		
	The charity had no debt during the year.		