
GREEN-WORKS
(A company limited by guarantee)

TRUSTEES REPORT AND FINANCIAL STATEMENTS

For the year ended 30 June 2006

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GREEN-WORKS

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GREEN-WORKS

LEGAL AND ADMINISTRATIVE INFORMATION **For the year ended 30 June 2006**

Trustees

S Crooks

R M Saunders

Dr P J Lehmann

Dr J N Nicholls

A M Golding

G A Bentley

J G Mumford (appointed 20/12/2006)

Company Registered Number

04013567

Charity Registered Number

1107247

Registered Office

2nd Floor, Downstream Building, 1 London Bridge, London, SE1 9BG

Chief Executive

Colin Crooks

Auditors

haysmacintyre, Fairfax House, 15 Fulwood Place, London, WC1V 6AY

Bankers

Cooperative Bank, P O Box 250, Delf House, South Way, Skelmerdale, WN8 6WT

GREEN-WORKS

TRUSTEES' REPORT **For the year ended 30 June 2006**

The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the financial statements of Green-Works (the charity) for the ended 30 June 2006. The Trustees confirm that the annual report and financial statements of the charity comply with current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005.

Structure, Governance and Management

Constitution and objects

The charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 13/06/2000 as amended by special resolutions on 23/12/2004 and 4/11/2005.

The principal objects of the charity are to provide

- The preservation and protection of the physical environment for the public benefit by recycling and use of recycled products
- To promote the efficiency and effectiveness of charities for the benefit of the public through provision of recycled and reused office furniture and equipment

The charity also aims to provide employment and training opportunities for the long term unemployed and disadvantaged members of the community.

The charity operates from warehouses in London (Wembley, Woolwich) and through franchise partners in London (Silvertown), Wolverhampton and Paisley.

The objectives of the charity are carried out through the reception of used office furniture which is sold on at a discounted rate to the not-for-profit sector and also to small businesses and members of the public. Furniture that cannot be resold is manufactured into new furniture in our joinery department or recycled.

The charity aims to reuse or recycle all its furniture with a long term reuse target of 75%. It also aims to operate at 80% warehouse capacity in terms of receptions received.

Organisation

The charity is run by its Board of Trustees which meets monthly. A Chief Executive is appointed by the trustees to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for sales, finance and operations.

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

Appointment of Trustees

Under the Articles the number of Trustees is at least 3. There are currently 7 Trustees. The most recently appointed Trustee was recruited after a competitive process amongst 3 high calibre individuals recommended by existing Trustees and one of our funders, and our policy will be to recruit Trustees in this way in the future, so as to maximise the chances of appointing Trustees able to make a significant contribution.

GREEN-WORKS

TRUSTEES' REPORT (continued) **For the year ended 30 June 2006**

Trustee induction and training

New trustees have induction through visits to the charity's warehouses and offices, discussions with employees and management including the Chief Executive, and meetings with other Trustees. They are also provided with past accounts and with the Memorandum and Articles of Association. The purposes of the induction are to provide an understanding of the business and its challenges, and of the obligations of Trustees.

The Trustees are very experienced and they learn from each other in informal discussions outside the Board meetings. Some also attend Green-works training/development events. There is no formal training policy for Trustees but training will be provided if any gaps in skills and experience become apparent.

Related party relationships

One of the charity's trustees Mrs S Crooks is the spouse of the charity's Chief Executive Officer (CEO) - Mr Colin Crooks. Mrs Crooks absents herself from all discussions concerning the CEO's remuneration and other employment matters.

Review of activities and future developments

The year was mainly one of consolidation following the substantial increase in turnover and capacity that occurred in the spring of 2005.

During the year we received over 80,000 items of office furniture into the charity's own warehouses at Wembley and Woolwich and through our partner operations in Wolverhampton and Silvertown. The reuse and recycling operations and waste consultancy arm prevented a potential 7,000 tonnes of office furniture and waste from ending up in landfill.

The reuse rate was 35% (against a target of 40%) and we operated at 65% (against a target of 70%) of warehouse capacity.

Towards the end of the year there were difficulties with one of Green-Works contractors who was engaged to recycle material which could not be reused. These difficulties continued into 2006/7 and the trustees are actively monitoring the situation.

We aimed to increase the number of beneficiaries from our operations and achieved this aim. Over 1,800 not-for-profit organisations, small businesses and members of the public purchased furniture at prices significantly lower than available elsewhere. Not-for-profit organisations also benefited from a 20% discount.

We aimed to continue our policy of helping the disadvantaged and long-term unemployed onto the employment ladder. Green-works operations resulted in the employment of 80 people, mainly in disadvantaged high unemployment areas. We participated in three work programmes providing 11 training and employment opportunities for the long-term and young unemployed and female offenders.

The objective of opening a franchised warehouse in Scotland was achieved, in Paisley, although this did not become operational until January 2007.

GREEN-WORKS

TRUSTEES' REPORT (continued) For the year ended 30 June 2006

Financial review and fundraising

The very large one-off projects for the processing of furniture from Barclays and RBS Group were successfully completed in the summer of 2005. The ending of these projects inevitably led to a substantial short-term downturn in furniture receptions. A sales director was recruited in December 2005 but the benefits of the refocus on sales were not reflected in reception income until after the year end.

The increased overheads resulting from the acquisition of the Wembley warehouse in 2005 combined with the downturn in receptions and the absence of voluntary income in 2006 caused a £223,225 deficit on unrestricted funds for the year ended 30 June 2006 although incoming resources from charitable activities increased by 14.6% to £1,802,740. The charity successfully negotiated short and medium term overdraft facilities to correct the resultant cash deficit.

In April 2006 the charity received funding approval from the Department for Environment Food and Rural Affairs through its Business Reuse Fund to market the sale of reused carpet tiles. During the year we also extended the range of furniture items produced by our joinery department.

In May 2006 the management team was strengthened by the recruitment of a Finance Director and a Commercial Project Manager funded initially through the CAN Permira Breakthrough initiative.

During the year the charity continued to develop its financial and stock management systems with the aid of funding from Esmée Fairbairn. The work done during the year and completed after the year end has ensured that robust financial controls are in place.

The Trustees continue to monitor closely the financial position of the charity, to provide active support to management and to take action where necessary.

Plans for future periods

The Trustees plan to continue to fulfil the charity's objects as outlined on page 2 above taking into account the levels of unrestricted funds required to support business operations.

We aim to increase the number of organisations and members of the public that benefit from our operations and to continue to sell to charities at a 20% discount.

We also aim to increase furniture reuse rates towards our aim of 75% and to continue with our policy of assisting the disadvantaged and long-term unemployed with training and employment opportunities wherever possible.

Reserves policy

The Trustees have a medium term policy to achieve a level of free reserves equivalent to 3 months' running costs. The free reserves at 30 June 2006 amounted to £69,723 being equivalent to less than one month's running costs. The Trustees consider this to be insufficient for the charity's needs and will continue to look at ways to address this issue.

Risk management

The CEO, assisted by the Senior Management Team, has undertaken a review of the risks facing the charity and has established systems and procedures to mitigate the risks identified.

The risk register and implementation of procedures to mitigate risks is reviewed on a regular basis. A key element in the management of financial risk is the setting of a reserves policy and its regular review by trustees.

GREEN-WORKS

TRUSTEES' REPORT (continued) For the year ended 30 June 2006

Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice applicable to smaller charities

Company and charity law applicable to charities in England/Wales 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 surplus or deficit of the charity for that period. In preparing those financial statements the Trustees have

- selected suitable accounting policies and applied them consistently,
- made judgements and estimates that are reasonable and prudent,
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepared the financial statements on a going concern basis (unless it is inappropriate to presume that the Trust will continue in operation)

The Trustees have overall responsibility for ensuring that the charity has an appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which 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 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

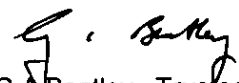
Statement as to disclosure of information to auditors

So far as the trustees are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the charity's auditors are unaware, and each trustee has taken all the steps that he or she ought to have taken as a trustee in order to make himself or herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Trustient, have merged with haysmacintyre and are willing to be reappointed in accordance with Section 385 of the Companies Act 1985 under the name of haysmacintyre.

This report was approved by the Trustees on 17 April 2007 and signed on its behalf, by


G A Bentley - Trustee

GREEN-WORKS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREEN-WORKS

We have audited the financial statements of Green-works for the year ended 30 June 2006 set out on pages 8 to 19, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein, the Statement of Recommended Practice 'Accounting by Charities' and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND AUDITORS

As described in the Statement of Trustees' Responsibilities the charity's Trustees (who also act as company directors of Green-works) are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charitable charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and other transactions is not disclosed.

We read the Trustees' report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

GREEN-WORKS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREEN-WORKS

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller charities, of the state of the charity's affairs as at 30 June 2006 and of its incoming resources and application of resources in the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Trustees' report is consistent with the financial statements



haysmacintyre
Chartered Accountants
Registered Auditors
Fairfax House
15 Fulwood Place
London
WC1V 6AY

Date 17 April 2007

GREEN-WORKS

STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account) For the year ended 30 June 2006

| | Note | Restricted Funds 2006 £ | Unrestricted Funds 2006 £ | Total Funds 2006 £ | Total Funds 2005 £ |
|---|------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| INCOMING RESOURCES | | | | | |
| <i>Incoming resources from generated funds</i> | | | | | |
| Voluntary income | 2 | - | - | - | 404,670 |
| Activities for generating funds | 3 | - | 14,826 | 14,826 | 14,548 |
| Investment income | 4 | - | 2,616 | 2,616 | 4,570 |
| <i>Incoming resources from charitable activities - Recycling operations</i> | 5 | 139,172 | 1,663,568 | 1,802,740 | 1,572,843 |
| TOTAL INCOMING RESOURCES | | 139,172 | 1,681,010 | 1,820,182 | 1,996,631 |
| RESOURCES EXPENDED | | | | | |
| <i>Costs of generating funds.</i> | | | | | |
| Fund raising costs | 6 | - | 14,863 | 14,863 | 13,736 |
| <i>Charitable activities - Recycling operations</i> | 7 | 127,109 | 1,867,695 | 1,994,804 | 1,548,926 |
| <i>Governance costs</i> | 8 | - | 21,677 | 21,677 | 20,198 |
| TOTAL RESOURCES EXPENDED | | 127,109 | 1,904,235 | 2,031,344 | 1,582,860 |
| MOVEMENT IN TOTAL FUNDS FOR THE YEAR - NET INCOME/(EXPENDITURE) FOR THE YEAR | | | | | |
| | | 12,063 | (223,225) | (211,162) | 413,771 |
| TOTAL FUNDS AT 1 JULY 2005 | | 94,316 | 335,488 | 429,804 | 16,033 |
| TOTAL FUNDS AT 30 JUNE 2006 | | £ 106,379 | £ 112,263 | £ 218,642 | £ 429,804 |

The Statement of Financial Activities includes all gains and losses recognised in the year

The notes on pages 10 to 19 form part of these financial statements

GREEN-WORKS


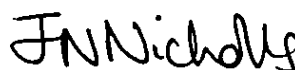
BALANCE SHEET As at 30 June 2006

| | Note | £ | 2006 £ | £ | 2005 £ |
|---|------|-----------|------------------|----------------|------------------|
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 12 | | 121,543 | | 136,094 |
| CURRENT ASSETS | | | | | |
| Debtors | 13 | 471,048 | | 542,323 | |
| Cash at bank and in hand | | 544 | | 119,279 | |
| | | | <u>471,592</u> | <u>661,602</u> | |
| CREDITORS amounts falling due within one year | 14 | (374,493) | | (359,392) | |
| NET CURRENT ASSETS | | | <u>97,099</u> | | <u>302,210</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>218,642</u> | | <u>438,304</u> |
| CREDITORS amounts falling due after more than one year | 15 | | - | | (8,500) |
| NET ASSETS | 17 | | <u>£ 218,642</u> | | <u>£ 429,804</u> |
| CHARITY FUNDS | | | | | |
| Restricted Funds | 16 | | 106,379 | | 94,316 |
| Unrestricted - General Funds | 16 | | 112,263 | | 335,488 |
| | | | <u>£ 218,642</u> | | <u>£ 429,804</u> |

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved by the Trustees on 17 April 2007 and signed on their behalf, by

Dr P J Lehmann

Dr J N Nicholls

The notes on pages 10 to 19 form part of these financial statements

GREEN-WORKS

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 30 June 2006**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in 2005, applicable accounting standards and the Companies Act 1985. Following the publication of the revised SORP, certain figures disclosed in the comparative figures have been restated to comply with the revised guidance.

1.2 Company status

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

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Grants for activities are recognised when receivable, unless there are conditions for entitlement under the grant which amount to preconditions for use or which limit the ability of the company to control the use of the resources. In this case the income is recognised when the charity is satisfied that it has met the conditions imposed.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Membership fees are accounted for on a receivable basis.

Where incoming resources are received in advance and the charity does not have entitlement to these resources until the goods or services are provided, they are shown in the accounts as deferred income.

GREEN-WORKS

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2006

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources as described below.

Charitable activities comprise all activities identified as delivering direct charitable services and include an appropriate proportion of support costs. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management.

Support costs have been allocated to charitable and fundraising activity on the basis of time spent by staff in supporting the operation.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Governance costs are those incurred in connection with enabling the charity to comply with external regulation, constitutional and statutory requirements and in providing support to the Trustees in the discharge of their statutory duties.

1.6 Cash flow

The financial statements do not include a cash flow statement because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2005).

1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|---------------------------|---|--|
| S/Term Leasehold Property | - | Over the term of the lease |
| Plant and equipment | - | 25% reducing balance |
| Motor Vehicles | - | 25% reducing balance |
| Furniture and Fixtures | - | At varying rates on cost between 3-5 years |
| Computer Equipment | - | At varying rates on cost between 3-4 years |

2. VOLUNTARY INCOME

| | Restricted Funds 2006 £ | Unrestricted Funds 2006 £ | Total Funds 2006 £ | Total Funds 2005 £ |
|------------------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Donations | - | - | - | 470 |
| Barclays Bank PLC | - | - | - | 255,000 |
| Royal Bank of Scotland Group | - | - | - | 149,200 |
| Voluntary income | £ - | £ - | £ - | £ 404,670 |

GREEN-WORKS

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2006

3 ACTIVITIES FOR GENERATING FUNDS

| | Restricted Funds 2006 £ | Unrestricted Funds 2006 £ | Total Funds 2006 £ | Total Funds 2005 £ |
|---------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Rental income | £ - | £ 14,826 | £ 14,826 | £ 14,548 |

4 INVESTMENT INCOME

| | Restricted Funds 2006 £ | Unrestricted Funds 2006 £ | Total Funds 2006 £ | Total Funds 2005 £ |
|------------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Bank interest received | £ - | £ 2,616 | £ 2,616 | £ 4,570 |

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - RECYCLING OPERATIONS

| | Restricted Funds 2006 £ | Unrestricted Funds 2006 £ | Total Funds 2006 £ | Total Funds 2005 £ |
|--------------------------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Grants - London Remade | 5,000 | - | 5,000 | 117,313 |
| - Bridge House Estates | 30,000 | - | 30,000 | 30,000 |
| - Job Centre Plus | - | - | - | 2,000 |
| - London Borough of Greenwich | - | - | - | 47 |
| - Esmee Fairbairn Foundation | 43,047 | - | 43,047 | - |
| - CAN Permira -marketing | 15,000 | - | 15,000 | - |
| - CAN Permira - salaries | 24,425 | - | 24,425 | - |
| - DEFRA - Business Reuse Fund | 21,700 | - | 21,700 | - |
| Membership fees | - | 123,499 | 123,499 | 169,243 |
| Franchise fees | - | 15,375 | 15,375 | 12,900 |
| Reception and collection fees | - | 1,104,966 | 1,104,966 | 877,610 |
| Furniture sales and delivery charges | - | 261,532 | 261,532 | 279,005 |
| Consultancy and equipment sales | - | 158,196 | 158,196 | 84,725 |
| Total | £ 139,172 | £ 1,663,568 | £ 1,802,740 | £ 1,572,843 |

GREEN-WORKS

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2006

6 FUND RAISING COSTS

| | Restricted Funds 2006 £ | Unrestricted Funds 2006 £ | Total Funds 2006 £ | Total Funds 2005 £ |
|---------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Staff costs | - | 12,024 | 12,024 | 11,654 |
| Support costs | - | 2,839 | 2,839 | 2,082 |
| Total | £ - | £ 14,863 | £ 14,863 | £ 13,736 |

7 CHARITABLE EXPENDITURE - RECYCLING OPERATIONS

| | 2006 £ | 2005 £ |
|---------------|-------------|-------------|
| Staff costs | 670,162 | 496,792 |
| Direct costs | 1,127,964 | 907,926 |
| Support costs | 196,677 | 144,209 |
| Total | £ 1,994,803 | £ 1,548,927 |

8. GOVERNANCE COSTS

| | Restricted Funds 2006 £ | Unrestricted Funds 2006 £ | Total Funds 2006 £ | Total Funds 2005 £ |
|------------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Staff costs | - | 13,370 | 13,370 | 12,959 |
| Auditor's remuneration | - | 5,400 | 5,400 | 4,860 |
| Support costs | - | 2,907 | 2,907 | 2,379 |
| Total | £ - | £ 21,677 | £ 21,677 | £ 20,198 |

GREEN-WORKS

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2006

9 ANALYSIS OF SUPPORT COSTS

| | Fundraising | Recycling Operations | Governance | Total 2006 | Total 2005 |
|-----------------------------------|----------------|-------------------------|----------------|------------------|------------------|
| | £ | £ | £ | £ | £ |
| Staff costs | 775 | 53,692 | 886 | 55,353 | 53,651 |
| Premises costs | 617 | 42,729 | 705 | 44,051 | 31,517 |
| Communication | 252 | 17,449 | 288 | 17,989 | 9,796 |
| Printing, postage & stationery | 166 | 11,494 | 190 | 11,850 | 10,613 |
| Repairs & maintenance | 202 | 13,976 | 231 | 14,409 | 7,767 |
| Depreciation | 173 | 11,955 | 197 | 12,325 | 8,383 |
| Legal fees | 23 | 1,628 | 27 | 1,678 | 4,928 |
| Accounting & payroll | 598 | 41,467 | 346 | 42,411 | 20,949 |
| Others | 33 | 2,287 | 37 | 2,357 | 1,066 |
| | - | - | - | - | - |
| Total | £ 2,839 | £ 196,677 | £ 2,907 | £ 202,423 | £ 148,670 |

10 NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging

| | 2006 £ | 2005 £ |
|---|-----------|-----------|
| Depreciation of tangible fixed assets - owned by the charity | 44,379 | 49,468 |
| Auditors' remuneration | 5,400 | 4,860 |

During the year, no Trustees received any remuneration (2005 - £NIL)

During the year, no Trustees received any benefits in kind (2005 - £NIL)

During the year, no Trustees received any reimbursement of expenses (2005 - £NIL)

Mr Colin Crooks, the Charity's CEO is the spouse of Mrs S Crooks, a current trustee of Green-Works
See note 19 for details of remuneration paid to Mr Crooks

GREEN-WORKS

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2006

11. STAFF COSTS AND NUMBERS

Staff costs were as follows

| | 2006 £ | 2005 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 686,509 | 523,889 |
| Social security costs | 64,402 | 51,167 |
| | <u>£ 750,911</u> | <u>£ 575,056</u> |

The average full-time equivalent number of employees during the year was as follows

| | 2006 No | 2005 No |
|-----------------------|------------|------------|
| Recycling operations | 33 | 27 |
| Fundraising programme | - | 2 |
| Support | 3 | 2 |
| Governance | 1 | 1 |
| | <u>37</u> | <u>32</u> |

One employee received remuneration amounting to between £80,000 to £90,000 in the year (2005 - 1)

GREEN-WORKS

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2006

12. TANGIBLE FIXED ASSETS

| | Land and buildings | Plant and machinery | Motor vehicles | Furniture, fittings and equipment | Total |
|-----------------------|-----------------------|------------------------|-------------------|---|------------------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 July 2005 | 9,155 | 85,659 | 90,535 | 49,303 | 234,652 |
| Additions | - | - | - | 29,828 | 29,828 |
| At 30 June 2006 | <u>9,155</u> | <u>85,659</u> | <u>90,535</u> | <u>79,131</u> | <u>264,480</u> |
| Depreciation | | | | | |
| At 1 July 2005 | 3,052 | 30,628 | 38,152 | 26,726 | 98,558 |
| Charge for the year | 1,831 | 13,758 | 13,096 | 15,694 | 44,379 |
| At 30 June 2006 | <u>4,883</u> | <u>44,386</u> | <u>51,248</u> | <u>42,420</u> | <u>142,937</u> |
| Net book value | | | | | |
| At 30 June 2006 | <u>£ 4,272</u> | <u>£ 41,273</u> | <u>£ 39,287</u> | <u>£ 36,711</u> | <u>£ 121,543</u> |
| At 30 June 2005 | <u>£ 6,103</u> | <u>£ 55,031</u> | <u>£ 52,383</u> | <u>£ 22,577</u> | <u>£ 136,094</u> |

13. DEBTORS

| | 2006 £ | 2005 £ |
|---------------------------------|------------------|------------------|
| Due within one year | | |
| Trade debtors | 309,641 | 325,451 |
| Other debtors and rent deposits | 48,973 | 66,837 |
| Prepayments | 89,304 | 92,200 |
| Accrued income | 23,130 | 57,835 |
| | <u>£ 471,048</u> | <u>£ 542,323</u> |

GREEN-WORKS

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2006

14 CREDITORS

Amounts falling due within one year

| | 2006 £ | 2005 £ |
|----------------------------------|------------------|------------------|
| Loans and overdrafts (see below) | 31,650 | 16,791 |
| Trade creditors | 204,763 | 141,920 |
| Accruals | 34,130 | 43,780 |
| Social security and other taxes | 35,856 | 26,098 |
| Other creditors | 15,064 | - |
| Deferred income | 53,030 | 130,803 |
| | <u>£ 374,493</u> | <u>£ 359,392</u> |

15. CREDITORS

Amounts falling due after more than one year

| | 2006 £ | 2005 £ |
|-------|-----------|-----------|
| Loans | £ - | £ 8,500 |

Loans above are secured by fixed and floating charges on the charity's assets

16 STATEMENT OF FUNDS

| | Brought Forward £ | Incoming Resources £ | Resources Expended £ | Carried Forward £ |
|---------------------------|-------------------------|----------------------------|----------------------------|-------------------------|
| UNRESTRICTED FUNDS | | | | |
| General Funds | <u>335,488</u> | <u>1,681,010</u> | <u>1,904,235</u> | <u>112,263</u> |

GREEN-WORKS

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2006

RESTRICTED FUNDS

| | Brought Forward £ | Incoming Resources £ | Resources Expended £ | Carried Forward £ |
|-----------------------------|-------------------------|----------------------------|----------------------------|-------------------------|
| Woolwich SRB Capital Fund | 8,261 | - | 3,234 | 5,027 |
| Wembley Capital Fund | 86,055 | - | 20,810 | 65,245 |
| Esmee Fairbairn Foundation | - | 43,047 | 34,316 | 8,731 |
| Bridge House Estates | - | 30,000 | 30,000 | - |
| CAN Permira - Marketing | - | 15,000 | 15,000 | - |
| CAN Permira - Salaries | - | 24,425 | 12,698 | 11,727 |
| London Remade | - | 5,000 | 1,136 | 3,864 |
| DEFRA - Business Reuse Fund | - | 21,700 | 9,915 | 11,785 |
| Subtotal | <u>94,316</u> | <u>139,172</u> | <u>127,109</u> | <u>106,379</u> |
| Total of Funds | <u>£ 429,804</u> | <u>£ 1,820,182</u> | <u>£ 2,031,344</u> | <u>£ 218,642</u> |

Woolwich SRB Capital Fund

This fund represent the written down value of tangible fixed assets purchased for the Woolwich warehouse from Single Regeneration Board funding granted by the London Borough of Greenwich

Wembley Capital Fund

This fund has been granted by London Remade for the purpose of purchasing vehicles and equipment for the Wembley warehouse. The balance represents the net book value of the assets acquired

Esmee Fairbairn Foundation

This grant was given to pay for the purchase and installation of a new stock management programme. The balance represents the net book value of the assets acquired out of the grant

Bridge House Estates

Granted by Bridge House Estates to support the costs of employing a Business Development Manager

CAN Permira

This a partnership between Green-Works, Community Action Network (CAN) and Permira to sponsor the employment of two managers, maintain existing sales and furniture tonnage, and to increase profitability through remanufacturing and selling higher value products. The staff were not employed for the full year and therefore there is a balance to carry forward

London Remade

This provided funds towards the costs of manufacturing and testing children's furniture

DEFRA Business Reuse Fund

This grant was given as part of the DEFRA Business Reuse Fund. The aims of the project are to protect the environment by reducing the amount of waste or redundant carpet tiles sent to landfill, assist charities and small businesses reduce the cost of obtaining low cost carpet tiles, and to create additional employment and training opportunities

GREEN-WORKS

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2006

SUMMARY OF FUNDS

| | Brought Forward £ | Incoming Resources £ | Resources Expended £ | Carried Forward £ |
|------------------|-------------------------|----------------------------|----------------------------|-------------------------|
| General Funds | 335,488 | 1,681,010 | 1,904,235 | 112,263 |
| Restricted Funds | 94,316 | 139,172 | 127,109 | 106,379 |
| Total of Funds | <u>£ 429,804</u> | <u>£ 1,820,182</u> | <u>£ 2,031,344</u> | <u>£ 218,642</u> |

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Restricted Funds 2006 £ | Unrestricted Funds 2006 £ | Total Funds 2006 £ | Total Funds 2005 £ |
|-------------------------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Tangible fixed assets | 79,003 | 42,540 | 121,543 | 136,094 |
| Current assets | 27,376 | 444,216 | 471,592 | 661,602 |
| Creditors due within one year | - | (374,493) | (374,493) | (359,392) |
| Creditors due in more than one year | - | - | - | (8,500) |
| Total | <u>£ 106,379</u> | <u>£ 112,263</u> | <u>£ 218,642</u> | <u>£ 429,804</u> |

18 OPERATING LEASE COMMITMENTS

At 30 June 2006 the company had annual commitments under non-cancellable operating leases as follows

| | 2006 £ | 2005 £ |
|-------------------------|----------------|----------------|
| Expiry date. | | |
| Within 1 year | 11,000 | 26,400 |
| Between 2 and 5 years | 69,797 | 69,797 |
| After more than 5 years | <u>224,000</u> | <u>224,000</u> |

19 RELATED PARTY TRANSACTIONS

The charity employs as its CEO Mr Colin Crooks, the spouse of one of the trustees Mrs S Crooks. During the year a salary was paid to Mr Crooks of £80,833 (2005 - £88,050)

There was also a loan owed from the charity to Dr Peter J Lehman, a trustee, as at 30 June 2006 amounting to £15,000 (2005 - Nil). The loan was given on an interest-free basis.