
GREEN-WORKS
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

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GREEN-WORKS
(A company limited by guarantee)

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GREEN-WORKS
(Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 JUNE 2007**

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

Company secretary

G A Bentley

Chief Executive officer

Colin Crooks

Auditors

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

Bankers

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

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TRUSTEES' REPORT
FOR THE YEAR ENDED 30 JUNE 2007

The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements of Green-Works (the company) for the ended 30 June 2007. The Trustees confirm that the annual report and financial statements of the company comply with current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

Constitution and objects

The company is registered as a charitable company limited by guarantee and constituted under a Memorandum of Association dated 13/06/2000 as amended by special resolutions on 23/12/2004 and 4/11/2005. It is a registered charity number 1107247.

The principal objects of the company are

- 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 has a zero landfill policy and an ambitious long term reuse target of 75%.

There have been no changes in the objectives since the last annual report.

Method of appointment or election of Trustees

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

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.

Policies adopted for the induction and training of Trustees

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 Greenworks training/development events. There is no formal training policy for

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2007

Trustees but training will be provided if any gaps in skills and experience become apparent

Organisational structure and decision making

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.

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.

Risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems are in place to mitigate our exposure to the major risks.

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.

Achievements and performance

Review of activities

2006/07 was a second tough year for Green-Works through which we made steady and important progress in a number of key areas. The development work put into our systems, staff training and development and increased focus on key issues in the business are having a noticeable impact on the efficiency of the organisation. In this year more than 7,000 tonnes of furniture were received into the charity's own warehouses at Wembley and Woolwich and through our partner operations in Wolverhampton, Silvertown and Paisley (our partners in Paisley, Kibble Works, expanded their franchise in the spring of 2007 to a full warehouse operation).

The furniture came from over a record 350 donors ranging in size from Government departments and blue-chip companies to small one-off collections using our fleet of vans.

Our aim of 100% diversion from landfill was undermined by the wilful non-performance of one of our suppliers. During the period March 2006 to December 2006 wood waste from Wembley and Woolwich was, without our knowledge and against our instructions, diverted to landfill. As a result of active enquiry we eventually uncovered this issue. Once we discovered this, significant management time was invested in locating, auditing and setting in train alternative non-landfill disposal routes for wood waste. In addition new, much tighter procedures for the audit of waste disposal suppliers have been established and immediate alternative suppliers are available if required, to ensure that we avoid a recurrence.

Our long-term objective is to reuse 75% of all the reusable furniture and components that we receive. We seek

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2007

to achieve this through direct sales, sales of remanufactured items and donations to charitable projects overseas. During the year we achieved 25%.

Despite intense competition from cheap imports of new furniture we sold over 17,000 items of donated office furniture during the year. We also sold 1,500 items of furniture manufactured in our joinery department using recycled wood. Joinery production was disrupted during the year because of machinery failures - in June 2007 we purchased a new edge bander and production efficiency has subsequently improved significantly. In February 2007 our CEO visited Sierra Leone to assess the potential for exporting furniture to that country to assist in its redevelopment after an intense and dreadful civil war. With the support of Claire Curtis Thomas, MP for Crosby and Cherie Booth, Green-Works has started to raise money to support the shipping costs involved. To date 2 x 40ft containers have been shipped to Sierra Leone and more will follow in 2008. In addition to the activity in Sierra Leone we are forging a number of links with not for profit organisations across Africa that will, we hope, lead to further exports of furniture to organisations there.

Over a third of furniture sales were to not-for-profit organisations. These organisations benefited from a 15% discount in line with our policy to ensure they are able to purchase furniture at prices significantly lower than available elsewhere.

We continued with our policy of helping the disadvantaged and long term unemployed onto the employment ladder. Green works employed over 70 people at all locations, mainly in disadvantaged high unemployment areas. At our Wembley and Woolwich warehouses, we participated in three work programmes providing 14 training and employment opportunities for the long term and young unemployed and female offenders.

Financial review

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 2007 amounted to £58,626 being equivalent to less than one month's running costs. The Trustees consider this to be insufficient for the charity's needs and are actively working to increase these levels over the next year.

Financial review and fundraising

Income from reception fees and collections of furniture increased by 27% to £1,402,689 and income from the sale of goods increased by 40% to £365,546. Total incoming resources from charitable activities increased by £439,821 whilst the direct costs of the activities increased by £288,615.

The charity continued to receive funding from the Department for Environment Food and Rural Affairs through its Business Reuse Fund to market the sale of reused carpet tiles.

We continued to receive funding, up to May 2007, for the employment of a Finance Director and Commercial Project Manager through the CAN Permira Breakthrough initiative.

We received funding through the Department of Trade and Industry Technology Programme to develop the manufacture of joinery products.

We continued to develop our stock management and web cataloguing capabilities with the aid of funding from Esmée Fairbairn.

A one-off grant was received from the CAF Capacity Building Fund to assist in the development of a 3 year business plan.

The Chief Executive, Colin Crooks, took part in a sponsored cycle ride to raise funds for the export of donated furniture to schools in Sierra Leone. The first shipment was sent in August 2007.

The net movement of funds for the year showed a deficit of £48,872 compared with a deficit of £211,161 in the previous year. During the year the charity secured a £100,000 overdraft facility and a £100,000 loan facility through the Co-operative and Community Finance London Development Agency Fund. This funding has given

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2007

the charity much improved financial stability although the Trustees continue to closely monitor the financial situation

Plans for the future

Future developments

The Trustees intend to continue to fulfil the charity's objects as outlined on page 2 and have agreed a 3 year Business Plan

We aim to continue to increase receipts of furniture and improve processing efficiency at our current facilities

We may consider looking at other locations when appropriate

We aim to sell a larger percentage of donated furniture from our current locations and explore other sales channels

We intend to continue with our zero landfill policy and at the same time to increase reuse rates by increased sales of furniture, the continued development of the joinery department and the donation of furniture to the developing world

We aim to continue our policies of offering a discount to charities purchasing furniture and of assisting the disadvantaged and long term unemployed with training and employment opportunities wherever possible

In October 2007 we secured funding from the Goldman Sachs Capacity Building programme which will provide substantial support to these plans

Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

So far as each of the Trustees is aware at the time the report is approved

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

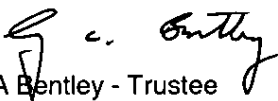
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2007

Auditors

The auditors, haysmacintyre, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

This report was approved by the Trustees on 21 January 2008 and signed on its behalf, by


G A Bentley - Trustee

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREEN-WORKS

We have audited the financial statements of Green-Works for the year ended 30 June 2007 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure account), the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The responsibilities of the Trustees (who also act as company directors of Green-Works for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

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 whether the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company 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 transactions with the company is not disclosed.

We read the Trustees' Annual 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 charitable company'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.

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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 Entities, of the state of the charitable company's affairs as at 30 June 2007 and of its incoming resources and application of resources, including its income and expenditure for 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

21 January 2008

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STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
FOR THE YEAR ENDED 30 JUNE 2007

	Note	Restricted Funds 2007 £	Unrestricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	5,594	1,025	6,619	-
Activities for generating funds	3	-	12,425	12,425	14,826
Investment income	4	-	1,051	1,051	2,616
Incoming resources from charitable activities - Recycling operations	5	169,475	2,073,086	2,242,561	1,802,740
TOTAL INCOMING RESOURCES		175,069	2,087,587	2,262,656	1,820,182
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	6	-	2,758	2,758	14,863
Charitable activities - Recycling operations	7	214,991	2,074,197	2,289,188	1,994,804
Governance costs	8	-	19,582	19,582	21,677
TOTAL RESOURCES EXPENDED		214,991	2,096,537	2,311,528	2,031,344
MOVEMENT IN TOTAL FUNDS FOR THE YEAR - NET INCOME/(EXPENDITURE) FOR THE YEAR		(39,922)	(8,950)	(48,872)	(211,162)
<i>Total funds at 1 July 2006</i>		<i>106,379</i>	<i>112,263</i>	<i>218,642</i>	<i>429,804</i>
TOTAL FUNDS AT 30 JUNE 2007		£ 66,457	£ 103,313	£ 169,770	£ 218,642

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

The notes on pages 11 to 21 form part of these financial statements

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BALANCE SHEET
AS AT 30 JUNE 2007

	Note	£	2007 £	£	2006 £
FIXED ASSETS					
Tangible fixed assets	12		96,755		121,543
CURRENT ASSETS					
Debtors	13	634,870		471,048	
Cash in hand		772		544	
		<u>635,642</u>		<u>471,592</u>	
CREDITORS: amounts falling due within one year	14	(487,627)		(374,493)	
NET CURRENT ASSETS			<u>148,015</u>		<u>97,099</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>244,770</u>		<u>218,642</u>
CREDITORS: amounts falling due after more than one year	15		(75,000)		-
NET ASSETS			<u>£ 169,770</u>		<u>£ 218,642</u>
CHARITY FUNDS					
Restricted funds	16		66,457		106,379
Unrestricted funds	16		103,313		112,263
			<u>£ 169,770</u>		<u>£ 218,642</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 21 January 2008 and signed on their behalf, by



Dr P J Lehmann - Trustee



Dr J N Nicholls - Trustee

The notes on pages 11 to 21 form part of these financial statements

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

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

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 company 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 company 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 company 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

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 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

	Total Funds 2007 £	Total Funds 2006 £
Donations	£ 6,619	£ -

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

3. ACTIVITIES FOR GENERATING FUNDS

	Total Funds 2007 £	<i>Total Funds 2006 £</i>
Rental income	£ 12,425	£ 14,826

4. INVESTMENT INCOME

	Total Funds 2007 £	<i>Total Funds 2006 £</i>
Interest receivable	£ 1,051	£ 2,616

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - RECYCLING OPERATIONS

	Total Funds 2007 £	<i>Total Funds 2006 £</i>
Grant - London Remade	-	5,000
- Bridge House Estates	-	30,000
- Esmee Fairbairn Foundation	17,123	43,047
- CAN Permira - marketing	-	15,000
- CAN Permira - salaries	63,497	24,425
- DEFRA - Business Reuse Fund	52,225	21,700
- CAF	5,000	-
- DTI	31,630	-
Membership fees	135,581	123,499
Franchise fees	20,980	15,375
Reception and collection fees	1,403,188	1,104,966
Furniture sales and delivery charges	365,546	261,532
Consultancy and equipment sales	147,791	158,196
Total	£ 2,242,561	£ 1,802,740

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**NOTES TO THE FINANCIAL STATEMENTS
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6. FUND RAISING COSTS

	Total Funds 2007 £	<i>Total Funds 2006 £</i>
Staff costs	903	12,024
Support costs	1,855	2,839
	<u>£ 2,758</u>	<u>£ 14,863</u>

7. CHARITABLE EXPENDITURE - RECYCLING OPERATIONS

	2007 £	<i>2006 £</i>
Staff costs	809,564	670,162
Direct costs	1,292,111	1,127,965
Support costs	181,744	196,677
Total	<u>£ 2,283,419</u>	<u>£ 1,994,804</u>

8. GOVERNANCE COSTS

	Total Funds 2007 £	<i>Total Funds 2006 £</i>
Auditors' remuneration	5,500	5,400
Legal & professional fees	-	27
Support costs allocation	1,855	1,994
Wages & salaries	12,227	14,256
	<u>£ 19,582</u>	<u>£ 21,677</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

9. ANALYSIS OF SUPPORT COSTS

	Fundraising	Recycling Operations	Governance	Total 2007	Total 2006
	£	£	£	£	£
Staff costs	815	79,824	815	81,454	55,353
Premises costs	372	36,450	372	37,194	44,051
Communication	154	15,131	154	15,439	17,989
Printing, postage & stationery	133	12,995	133	13,261	11,850
Repairs & maintenance	228	22,335	228	22,791	14,409
Depreciation	90	8,820	90	9,000	12,325
Legal fees	8	755	8	771	1,678
Accounting & payroll	39	3,864	39	3,942	42,411
Others	16	1,570	16	1,602	2,357
	-	-	-	-	-
Total	£ 1,855	£ 181,744	£ 1,855	£ 185,454	£ 202,423

10. NET INCOME / (EXPENDITURE)

This is stated after charging

	2007	2006
	£	£
Depreciation of tangible fixed assets - owned by the charity	45,297	44,379
Auditors' remuneration	5,500	5,400

During the year, no Trustees received any remuneration (2006 - £NIL)

During the year, no Trustees received any benefits in kind (2006 - £NIL)

During the year, no Trustees received any reimbursement of expenses (2006 - £NIL)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

11. STAFF COSTS

Staff costs were as follows

	2007 £	2006 £
Wages and salaries	758,456	686,509
Social security costs	70,007	64,402
	<u>£ 828,463</u>	<u>£ 750,911</u>

The average monthly number of employees during the year was as follows

	No.	No
Recycling operations	36	33
Support	3	3
Governance	1	1
	<u>40</u>	<u>37</u>

The number of higher paid employees was

	2007 No	2006 No
In the band £60,001 - £70,000	1	0
In the band £80,001 - £90,000	0	1
	<u>1</u>	<u>1</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

12. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Motor vehicles £	Furniture, fittings and equipment £	Total £
Cost					
At 1 July 2006	9,155	85,659	90,535	79,131	264,480
Additions	-	19,041	-	12,718	31,759
Disposals	-	-	(20,000)	(17,300)	(37,300)
At 30 June 2007	9,155	104,700	70,535	74,549	258,939
Depreciation					
At 1 July 2006	4,883	44,386	51,248	42,420	142,937
Charge for the year	1,831	15,078	7,010	21,378	45,297
On disposals	-	-	(8,750)	(17,300)	(26,050)
At 30 June 2007	6,714	59,464	49,508	46,498	162,184
Net book value					
At 30 June 2007	£ 2,441	£ 45,236	£ 21,027	£ 28,051	£ 96,755
At 30 June 2006	£ 4,272	£ 41,273	£ 39,287	£ 36,711	£ 121,543

13. DEBTORS

	2007 £	2006 £
Trade debtors	474,374	309,641
Other debtors	49,621	48,973
Prepayments	84,301	89,304
Grants Receivable	26,574	23,130
	£ 634,870	£ 471,048

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

14. CREDITORS:
Amounts falling due within one year

	2007 £	2006 £
Bank overdraft	8,615	31,650
Trade creditors	368,624	204,763
Accruals	21,655	34,130
Social security and other taxes	42,934	35,856
Other creditors	10,277	15,064
Deferred income (see below)	35,522	53,030
	<u>£ 487,627</u>	<u>£ 374,493</u>

Last year's Other creditors included an amount due to one of the charity's trustees - Dr Peter J Lehman amounting to £15,000. This amount was repaid in the year.

DEFERRED INCOME

	2007 £	2006 £
Deferred income at the start of the year	53,030	130,803
Released to Statement of Financial Activities	(53,030)	(130,803)
Income deferred in the year	35,522	53,030
Total	<u>£ 35,522</u>	<u>£ 53,030</u>

15. CREDITORS:
Amounts falling due after more than one year

	2007 £	2006 £
Bank overdraft	<u>£ 75,000</u>	<u>£ -</u>

The bank overdraft is repayable in 2 years time from August 2006. Repayments are on an interest only basis at 3% above bank base rate. The overdraft is secured by a fixed and floating charge over the assets of the charity.

GREEN-WORKS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

16. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
Unrestricted funds				
General Funds	112,263	2,087,587	(2,096,537)	103,313
Restricted funds				
	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
Woolwich SRB Capital Fund	5,027	-	(1,641)	3,386
Wembley Capital Fund	65,245	-	(20,568)	44,677
Esmee Fairbairn Foundation	8,731	17,123	(21,849)	4,005
Sierra Leone Bike Ride	-	5,594	-	5,594
CAF Capacity Building Fund	-	5,000	(5,000)	-
DTI Technology Programme	-	31,630	(29,385)	2,245
CAN Permira - Salaries	11,727	63,497	(75,224)	-
London Remade	3,864	-	(3,864)	-
DEFRA - Business Reuse Fund	11,785	52,225	(57,460)	6,550
	106,379	175,069	(214,991)	66,457
Total of Funds	£ 218,642	£ 2,262,656	£(2,311,528)	£ 169,770

GREEN-WORKS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

EXPLANATIONS FOR RESTRICTED FUNDS

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

CAN Permira

This is 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

CAF Capacity Building Fund

The grant was given to assist in the development of a Business Plan for the next stage of the company's growth

DTI Technology Programme

2 year funding to develop the manufacture of joinery products from used furniture

London Remade

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

Sierra Leone Bike Ride Sponsorship

A sponsored cycle ride by Colin Crooks, the Chief Executive, to raise funds for the export of furniture to schools in Sierra Leone

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

SUMMARY OF FUNDS

	Brought Forward	Incoming resources	Resources Expended	Carried Forward
	£	£	£	£
General Funds	112,263	2,087,587	(2,096,537)	103,313
Restricted Funds	106,379	175,069	(214,991)	66,457
	<u>£ 218,642</u>	<u>£ 2,262,656</u>	<u>£(2,311,528)</u>	<u>£ 169,770</u>

GREEN-WORKS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds 2007 £	Unrestricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
Tangible fixed assets	52,068	44,687	96,755	121,543
Current assets	14,389	621,253	635,642	471,592
Creditors due within one year	-	(487,627)	(487,627)	(374,493)
Creditors due in more than one year	-	(75,000)	(75,000)	-
	<u>£ 66,457</u>	<u>£ 103,313</u>	<u>£ 169,770</u>	<u>£ 218,642</u>

18. OPERATING LEASE COMMITMENTS

At 30 June 2007 the company had annual commitments under non-cancellable operating leases as follows

	2007 £	2006 £
Expiry date:		
Within 1 year	11,000	11,000
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