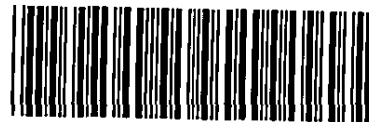


GREEN-WORKS
(A Company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

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COMPANIES HOUSE

Registered Number: 04013567
Charity Number: 1107247

GREEN-WORKS

FOR THE YEAR ENDED 30 JUNE 2008

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GREEN-WORKS

REFERENCE AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 30 JUNE 2008

Trustees

S Crooks
R M Saunders
Dr P J Lehmann (died 4 November 2008)
Dr J N Nicholls
Dr A M Golding
G A Bentley
J G Mumford

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

GREEN-WORKS

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2008

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 2008. 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 a warehouse in London (Wembley) 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 6 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.

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. There is no formal training policy for Trustees but training will be provided if any gaps in skill and experience become apparent.

GREEN-WORKS

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30 JUNE 2008

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 matters relating to his employment.

Risk management

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

The Trustees regularly assess 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 which mitigate the charity's exposure, as far as is possible, to the major risks. Trustees review the risk register every six months.

Achievements and performance

Review of activities

2007/08 was a very busy and successful year. Our national network of warehouses processed in excess of a record 8,500 tonnes of office furniture. The furniture was also processed more efficiently and effectively than previously. More of it was re-used than ever before with sales in the UK and exports to Africa both seeing significant increases. The training and systems development that we have implemented over the last 2 years showed dividends in the form of lower costs of handling this enormous volume of furniture. The furniture continued to be sent to us by an extraordinarily diverse range of clients, including major banks, oil companies, utilities, government departments and SMEs.

All of these achievements were underlined by the achievement of the Queen's Award for Enterprise: Sustainable Development, which the Queen and Prime Minister graciously bestowed upon Green-Works in April 2008. This award is a source of great pride and will encourage us to continue to develop the business in the years ahead.

Whilst recognising these successes, we are hugely saddened by the sudden and untimely death of our chairman Peter Lehmann in November 2008. Peter was our chairman for 7 years and was a major force in the establishment, growth and development of Green-Works. His huge energy and unstinting efforts enabled us to overcome many serious obstacles and to take advantage of many opportunities. He will be sorely missed, although his influence lives on.

After the difficulties we reported last year with wood recycling we are immensely proud to be able to announce that our recycling efforts hit new highs this year. At Wembley we diverted 99.8% of all the furniture we received from landfill through our resale and export efforts and a detailed approach to recycling. We are confident that all our network warehouses achieved similar levels of diversion and next year we will endeavour to capture detailed data for all our warehouses.

Despite intense competition from cheap imports of new furniture our national network sold 19,506 items of furniture. Our joinery operation manufactured 1634 items of new furniture from old. The visit in February 2007 by our CEO to Sierra Leone opened up a significant additional outlet for our furniture, which is desperately needed by deprived communities in that country. In the period 2007-08 we raised funds for and shipped 3 x 40 foot containers to Waterloo in Sierra Leone. Since the year end we have shipped a further 5 such containers including furniture and equipment for the Ministry of Environment and the national hospital in Freetown. In addition to our efforts in Sierra Leone we have formed partnerships with organisations in Ghana and Benin, which have enabled us to ship 9 containers to those countries in 2007-08, and we in discussions with groups from across Africa who are keen to take up our offer of free furniture.

GREEN-WORKS

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30 JUNE 2008

Achievements and performance (continued)

Review of activities (continued)

Across the country nearly one half by value (and even more by volume) of our furniture sales were to not-for-profit organisations and individuals. Charities 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 network employed over 70 people at all locations, mainly in disadvantaged high unemployment areas. At our Wembley and Woolwich warehouses, we actively participated in a number of work and volunteer programmes and provided a number of training and employment opportunities for the long term and young unemployed and female offenders. We are especially proud that 2 female offenders with us on day release joined as full-time employees in December 2007. The Green-Works franchise continues to enable our partners to generate genuine employment and training opportunities for marginalised people. Over 30 such people were employed during the year. With the support of a donor-funded capacity building programme we have now employed a full-time HR officer who has already started to develop the training programme beyond this initial success. We are looking forward to reporting a considerable increase in volunteer and training activity next year.

The year has seen other changes too. The closure of our consulting operation was completed in the summer of 2007 and has allowed us to focus exclusively on the furniture business. Our brand new website and logo have been warmly received. We have received considerable positive PR following the announcement of our Queen's Award and we intend to actively build on that platform of awareness. Since the year end the lease at our Woolwich depot expired and we decided to vacate the premises. It was the first warehouse we had occupied directly and it was very old and increasingly expensive to maintain. We took this opportunity to contract out our furniture collection service to our longstanding partners, First Fruit. Four of the staff at Woolwich were transferred under TUPE regulations and the service is thriving. Investments by Goldman Sachs, the Esmee Fairburn Foundation, DEFRA and the DTI in particular continue to help us improve our efficiency and develop our service to donors and recipients alike.

Financial review

Reserves policy

The Trustees have a medium term goal of achieving free reserves of 3 months' running costs, equivalent to £290,000 based on average costs in 2007/08. The free reserves at 30 June 2008 amounted to £190,517 equating to 2 months running costs.

Financial review and fundraising

Income from reception fees and collections of furniture increased by 32% to £1,851,089 whilst income from the sale of goods decreased marginally to £360,506. Total incoming resources from charitable activities increased by £364,581 whilst the direct costs of the activities increased by £183,274.

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 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 the Esmee Fairbairn Foundation.

We have started from scratch a process of raising funds for our export programme to Sierra Leone and other parts of Africa. We started with a sponsored bicycle ride by our CEO in March 2007 which raised in the region of £12,000 and we continued into the summer with a tea at Downing Street hosted by Cherie Booth. Since then there has been a steady campaign to raise funds and to encourage corporate donors to fund the export of some of their furniture when it is being made redundant. Eversheds, RSA and RBS have been notable contributors to this campaign. In addition we have been very generously supported by Business Moves Group who have directly helped us export 3 containers and who are funding a project manager to enable us to export even more furniture this year.

GREEN-WORKS

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30 JUNE 2008

Financial review and fundraising (continued)

In February 2008 we received the first tranche of funding from a significant donation to support our capacity building programme. This 3 year programme is designed to assist Green-Works to build its capacity and systems so that it can respond to the changing markets and to expand. Already the funding has enabled us to significantly upgrade our IT, improve our HR systems and training, develop better fundraising for our Africa campaign, improve contacts with our franchisees and partners and to develop new approaches to the market.

The net movement of funds for the year showed net incoming resources of £159,822 compared with net outgoing resources of £48,872 in the previous year. At 30 June 2008 the charity had drawn £25,000 of its revolving credit facility and had an outstanding loan of £45,735 through the Co-operative and Community Finance London Development Agency Fund. Since the year end the revolving credit facility has been replaced by an increased overdraft with Co-operative Bank.

Future developments

The Trustees intend to continue to fulfil the charity's objects as outlined on page 2.

We aim to continue to increase receipts of furniture and improve processing efficiency across our network of own and partner facilities.

We will continue with our zero landfill policy and seek to increase our reuse rates and the donation of furniture to the developing world, while continuing to explore other sales channels.

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.

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.

GREEN-WORKS

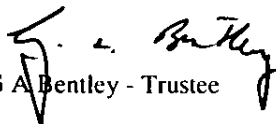
TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30 JUNE 2008

Auditors

The auditors, haysmacintyre, will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

This report was approved by the Trustees on 22 January 2009 and signed on its behalf, by:


G A Bentley - Trustee

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREEN-WORKS

We have audited the financial statements of Green Works for the year ended 30 June 2008 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 2007).

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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the Trustees (who are also the 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 charitable 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 charitable company 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

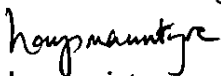
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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.

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 charitable company's affairs as at 30 June 2008 and of its incoming resources and application of resources, including its income and expenditure, 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
Registered Auditors

Date: 22 January 2009

Fairfax House
15 Fulwood Place
London
WC1V 6AY

GREEN-WORKS

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure account)

FOR THE YEAR ENDED 30 JUNE 2008

	Notes	Restricted Funds £	Unrestricted Funds £	Total funds 2008 £	Total funds 2007 £
INCOMING RESOURCES					
<i>Incoming resources from generated funds:</i>					
Voluntary income	2	32,578	-	32,578	6,619
Activities for generating funds	3	-	12,423	12,423	12,425
Investment income	4		6,039	6,039	1,051
<i>Incoming resources from charitable activities:</i>					
Recycling operations	5	195,693	2,411,449	2,607,142	2,242,561
TOTAL INCOMING RESOURCES		<u>228,271</u>	<u>2,429,911</u>	<u>2,658,182</u>	<u>2,262,656</u>
RESOURCES EXPENDED					
<i>Cost of generating funds:</i>					
Costs of generating voluntary income	6	-	4,110	4,110	2,758
<i>Charitable activities</i>					
Recycling operations	7	177,055	2,295,406	2,472,461	2,289,188
<i>Governance costs</i>	8	-	21,789	21,789	19,582
TOTAL RESOURCES EXPENDED		<u>177,055</u>	<u>2,321,305</u>	<u>2,498,360</u>	<u>2,311,528</u>
MOVEMENT IN TOTAL FUNDS FOR THE YEAR – NET INCOME/ (EXPENDITURE) FOR THE YEAR					
		51,216	108,606	159,822	(48,872)
Total funds at start of period		<u>66,457</u>	<u>103,313</u>	<u>169,770</u>	<u>218,642</u>
TOTAL FUNDS AT END OF PERIOD		<u>£117,673</u>	<u>£211,919</u>	<u>£329,592</u>	<u>£169,770</u>

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

The notes on pages 10 to 16 form part of these financial statements

GREEN-WORKS**BALANCE SHEET****AS AT 30 JUNE 2008**

	Notes	£	2008	£	£	2007	£
FIXED ASSETS							
Tangible fixed assets	12			51,049			96,755
CURRENT ASSETS							
Debtors	13	609,390			634,870		
Cash at bank		164,192			772		
		<u>773,582</u>			<u>635,642</u>		
CREDITORS: amounts falling due within one year	14	(445,331)			(487,627)		
NET CURRENT ASSETS				<u>328,251</u>			<u>148,015</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				379,300			244,770
CREDITORS: amounts falling due after more than one year	15			(49,708)			(75,000)
NET ASSETS				<u>£329,592</u>			<u>£169,770</u>
CHARITY FUNDS							
Restricted Funds	16			117,673			66,457
Unrestricted funds	16			211,919			103,313
				<u>£329,592</u>			<u>£169,770</u>

The financial statements have been prepared in accordance with 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 2007).

The financial statements were approved and authorised for issue by the trustees on 22 January 2009 and signed on their behalf, by:



Dr J N Nicholls – Chairman



Dr A M Golding - Trustee

The notes on pages 10 to 16 form part of these financial statements.

GREEN-WORKS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

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 2007). 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 and thereby spread across the period of membership.

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.

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.

GREEN-WORKS**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 30 JUNE 2008****1. ACCOUNTING POLICIES (continued)****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 2008 £	Total funds 2007 £
Donations	£32,578	£6,619
	<u>£32,578</u>	<u>£6,619</u>
3. ACTIVITIES FOR GENERATING FUNDS	Total funds 2008 £	Total funds 2007 £
Rental income	£12,423	£12,425
	<u>£12,423</u>	<u>£12,425</u>
4. INVESTMENT INCOME	Total funds 2008 £	Total funds 2007 £
Interest receivable	£6,039	£1,051
	<u>£6,039</u>	<u>£1,051</u>
5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - RECYCLING OPERATIONS	Total funds 2008 £	Total funds 2007 £
Goldman Sachs Capacity Building Programme	111,000	-
Esmee Fairbairn Foundation	6,330	17,123
CAN Permira – salaries	-	63,497
DEFRA – Business Reuse Fund	35,000	52,225
CAF	-	5,000
DTI	43,363	31,630
Membership fees	146,849	135,581
Franchise fees	7,500	20,980
Reception and collection fees	1,851,089	1,403,188
Furniture sales and delivery charges	360,506	365,546
Consultancy and equipment sales	45,505	147,791
	<u>£2,607,142</u>	<u>£2,242,561</u>

GREEN-WORKS

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2008

6. FUNDRAISING COSTS				Total funds 2008 £	Total funds 2007 £
Staff costs				2,442	903
Support costs				1,668	1,855
				<u>£4,110</u>	<u>£2,758</u>
7. CHARITABLE EXPENDITURE – RECYCLING OPERATIONS				Total funds 2008 £	Total funds 2007 £
Staff costs				703,396	809,564
Direct costs				1,605,643	1,292,111
Support costs				163,422	181,744
				<u>£2,472,461</u>	<u>£2,283,419</u>
8. GOVERNANCE COSTS				Total funds 2008 £	Total funds 2007 £
Auditors' remuneration				5,850	5,500
Accountancy fees				500	-
Support costs				1,668	1,855
Staff costs				13,771	12,277
				<u>£21,789</u>	<u>£19,582</u>
9. ANALYSIS OF SUPPORT COSTS				Total 2008 £	Total 2007 £
	Fundraising £	Recycling Operations £	Governance £		
Staff costs	661	64,817	661	66,140	81,454
Premises costs	246	24,065	246	24,557	37,194
Communication	129	12,681	129	12,940	15,439
Printing, postage and stationery	28	2,772	28	2,828	13,261
Repairs and maintenance	139	13,608	139	13,885	22,791
Depreciation	166	16,221	166	16,552	9,000
Legal fees	62	6,074	62	6,198	771
Accounting and payroll	227	22,251	227	22,706	3,942
Others	10	933	10	952	1,602
Total	<u>£1,668</u>	<u>£163,422</u>	<u>£1,668</u>	<u>£166,758</u>	<u>£185,454</u>

Support costs have been allocated to activities on the basis of time spent by staff in each area.

GREEN-WORKS

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2008

10. NET INCOME/(EXPENDITURE)	2008	2007			
	£	£			
This is stated after charging:					
Depreciation of tangible fixed assets:					
- owned by the charity	42,770	45,297			
Auditors' remuneration	5,850	5,500			
Other fees payable to the auditor	350	-			
	<u><u> </u></u>	<u><u> </u></u>			
During the year, no Trustee received any remuneration (2007- £Nil).					
During the year, no Trustee received any benefits in kind (2007 - £Nil).					
During the year, no Trustee received any reimbursement of expenses (2007 - £Nil).					
11. STAFF COSTS	2008	2007			
	£	£			
Staff costs were as follows:					
Wages and salaries	718,539	758,456			
Social security costs	67,210	70,007			
	<u><u> </u></u>	<u><u> </u></u>			
	£785,749	£828,463			
	<u><u> </u></u>	<u><u> </u></u>			
	No.	No.			
The average monthly number of employees during the year was as follows:					
Recycling operations	31	36			
Support	2	3			
Governance	1	1			
	<u><u> </u></u>	<u><u> </u></u>			
	34	40			
	<u><u> </u></u>	<u><u> </u></u>			
The number of higher paid employees was:					
In the band £60,001 - £70,000	-	1			
In the band £70,001 - £80,000	1	-			
	<u><u> </u></u>	<u><u> </u></u>			
	1	1			
	<u><u> </u></u>	<u><u> </u></u>			
12. TANGIBLE FIXED ASSETS					
	Land and buildings	Plant and machinery	Motor vehicles	Furniture fittings and equipment	Total
	£	£	£	£	£
Cost					
At 1 July 2007	9,155	104,700	70,535	74,549	258,939
Additions	-	2,062	-	730	2,792
Disposals	-	-	(32,190)	-	(32,190)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 June 2008	9,155	106,762	38,345	75,279	229,541
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation					
At 1 July 2007	6,714	59,464	49,508	46,498	162,184
Charge for the year	2,441	15,431	9,040	15,858	42,770
On disposals	-	-	(26,462)	-	(26,462)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 June 2008	9,155	74,895	32,086	62,356	178,492
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Book Value					
At 30 June 2008	-	£31,867	£6,259	£12,923	£51,049
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
At 30 June 2007	£2,441	£45,236	£21,027	£28,051	£96,755
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

GREEN-WORKS

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2008

13. DEBTORS	2008	2007
	£	£
Trade debtors	460,696	474,374
Other debtors	40,897	49,621
Prepayments	87,612	84,301
Grants receivable	20,185	26,574
	<u>£609,390</u>	<u>£634,870</u>

14. CREDITORS: amounts falling due within one year	2008	2007
	£	£
Bank overdraft	-	8,615
Bank revolving credit	25,000	-
Bank loan	9,360	-
Trade creditors	202,269	368,624
Accruals	78,154	21,655
Social security and other taxes	41,220	42,934
Other creditors	-	10,277
Deferred income (see below)	89,328	35,522
	<u>£445,331</u>	<u>£487,627</u>

The bank revolving credit and bank loan are secured by a fixed and floating charge on the assets of the charity.

DEFERRED INCOME	2008	2007
	£	£
Deferred income at the start of the year	35,522	53,030
Released to Statement of Financial Activities	(35,522)	(53,030)
Income deferred in the year	102,661	35,522
	<u>£102,661</u>	<u>£35,522</u>
Income deferred less than one year	89,328	35,522
Income deferred more than one year	13,333	-
	<u>£102,661</u>	<u>£35,522</u>

15. CREDITORS: amounts falling due after more than one year	2008	2007
	£	£
Bank loan	36,375	-
Bank revolving credit	-	75,000
Deferred Income (see above)	13,333	-
	<u>£49,708</u>	<u>£75,000</u>

The bank loan is secured by a fixed and floating charge on the assets of the charity and is repayable within 5 years.

GREEN-WORKS

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2008

16. STATEMENT OF FUNDS	Brought Forward £	Incoming Resources £	Resources Expended £	Carried forward £
Unrestricted funds				
General funds	103,313	2,429,911	(2,321,305)	211,919
Restricted funds				
Woolwich SRB Capital Fund	3,386	-	(3,386)	-
Wembley Capital Fund	44,677	-	(17,878)	26,799
Esmee Fairbairn Foundation	4,005	6,330	(10,335)	-
Furniture to Africa	5,594	32,578	(20,112)	18,060
DTI Technology Programme	2,245	43,363	(43,924)	1,684
DEFRA – Business Reuse Fund	6,550	35,000	(40,387)	1,163
Goldman Sachs Capacity Building Programme	-	111,000	(41,033)	69,967
Total restricted funds	66,457	228,271	(177,055)	117,673
Total funds	£169,770	£2,658,182	(£2,498,360)	£329,592

EXPLANATIONS FOR RESTRICTED FUNDS

Woolwich SRB Capital Fund

This fund represents 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.

DTI Technology Programme

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

Furniture to Africa

This fund represents donations made expressly for the purposes of supporting Green-Works export initiative. Green-Works is assisting the redevelopment of deprived communities across Africa most notably in Sierra Leone, a country seriously affected by a terrible civil war, by shipping out furniture, hospital beds, clothing, toys, books and other items.

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.

Goldman Sachs Capacity Building Programme

This fund was granted to support the development of Green-Works capacity to extend its operations and to expand. The programme of works is quite broad covering investments in IT, processes and procedures, fundraising and staff training and development.

GREEN-WORKS

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2008

16. STATEMENT OF FUNDS (continued)

SUMMARY OF FUNDS	Brought forward £	Incoming resources £	Resources expended £	Carried forward £
General funds	103,313	2,429,911	(2,321,305)	211,919
Restricted funds	66,457	228,271	(177,055)	117,673
	<u>£169,770</u>	<u>£2,658,182</u>	<u>(£2,498,360)</u>	<u>£329,592</u>

17. ANALYSIS OF NET ASSET BETWEEN FUNDS	Restricted Funds £	Unrestricted Funds £	Total funds 2008 £	Total funds 2007 £
Tangible fixed assets	29,647	21,402	51,049	96,755
Current assets	88,026	685,556	773,582	635,642
Creditors due within one year	-	(445,331)	(445,331)	(487,627)
Creditors due in more than one year	-	(49,708)	(49,708)	(75,000)
	<u>£117,673</u>	<u>£211,919</u>	<u>£329,592</u>	<u>£169,770</u>

18. OPERATING LEASE COMMITMENTS

At 30 June 2008 the company had annual commitments under non-cancellable operating leases as follows:

	2008 £	2007 £
Expiry date:		
Within 1 year	69,791	11,000
Between 2 and 5 years	227,597	69,797
After more than 5 years	-	224,000
	<u>297,388</u>	<u>304,800</u>

19. RELATED PARTY TRANSACTIONS

The charity employs as its CEO Mr Colin Crooks, the spouse of one of the trustees Mrs S Crooks. Mrs Crooks absents herself from all discussions concerning the CEO's remuneration and other matters relating to his employment.