GOODWEAVE UK
(A company limited by guarantee)

REPORT & FINANCIAL STATEMENTS
For the Year Ended 31st December 2014

Charity Registration No: 1139218
Company Registration No: 4210546 (England & Wales)
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The trustees of the charity present their report and financial statements for the year ended 31st December 2014.

The accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the company's Memorandum and Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issues in March 2005.

REFERENCE AND ADMINISTRATIVE INFORMATION

LEGAL STATUS
Private company limited by guarantee exempt under Section 30.

REGISTERED OFFICE
7 Manor Road
Teddington
Middlesex
TW11 8BH

OPERATIONAL ADDRESS
Bloxham Mill Business Centre,
Barford Road,
Bloxham,
Oxon OX15 4FF

DIRECTORS
David Ould (Chair)
Jonathan Blagbrough
Terry Hudghton
Amanda Berlan

COMPANY SECRETARY
David Ould

INDEPENDENT EXAMINER
John McCullagh
39 The Farthings
KINGSTON UPON THAMES
KT2 7PT

SOLICITORS
Lovells
65 Holborn Viaducts
London EC1A 2DY

BANKERS
The Co-operative Bank plc
PO Box 101
1 Balloon Street
Manchester
M60 4EP
GOODWEAVE UK
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DIRECTORS’ REPORT
GOVERNANCE

Governing Document

The organisation is a charity, registered on 29th November 2010, and non-profit making company limited by guarantee, incorporated on 3rd May 2001. The company was established under a Memorandum of Association, which established the objects and powers of the company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Objectives

The GoodWeave initiative has two objects:

- To relieve poverty suffering and distress in any part of the world; and
- To promote research into and education concerning the causes and effects of poverty, particularly (without prejudice to that generality) in relation to the conduct of business and to the conditions of employment (including self-employment) of poor people in any part of the world, and to publish the useful results of that research.

In furtherance of these objects the organisation:
- acts as the UK regional office of GoodWeave International, whose aims are:
  i) to eradicate illegal child labour in the carpet industry and such other products as covered by the GoodWeave label;
  ii) to provide children with concrete opportunities for education, vocational training, and other means for preparing to meet the future with hope;
  iii) to stimulate the employment of adults so parents can support their families adequately;
  iv) to facilitate development programmes to improve the terms and conditions of employment for adult workers in the carpet industry consistent with internationally recognised labour standards so that the industry can become a model for providing a living wage for skilled artisans and their families and for producing carpets using environmentally sound practices.

GoodWeave UK has exclusive licensing rights from GoodWeave International (the holder of the trademark) to the GoodWeave label in the United Kingdom and agrees to grant importers a licence to use the GoodWeave label to market carpets and rugs manufactured according to the GoodWeave concept on the terms and conditions set out in the Licence Agreement.

Statement of Directors’ Responsibilities

Company Law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure for the financial year. In preparing those financial statements, the directors are required to follow best practice and:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the 2005 Charities SORP;
GOODWEAVE UK  
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DIRECTORS' REPORT (continued)

- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

Members of the Management Committee

Members of the Management Committee, who are Directors for the purpose of company law, who served during the financial year and up to the date of this report are set out on page 3.

In accordance with company law, as the company’s directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company’s independent examiner is unaware; and
- as the directors of the company we have taken all steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company’s independent examiner is aware of that information.

The Charities Activities and Achievements

All marketing for GoodWeave UK continues to be handled from the USA office, employing a part-time UK-based consultant to handle regular contacts with the licensees in the UK.

Although the total UK market for hand made carpets remained at the depressed level of 2013, shipments from India and Nepal declined by around 10%. This fall is reflected in the licence fees for 2014 even though the GoodWeave UK market share remains at ca 24% and all sales continue to be made to the specialist/design sector. In 2014 £29,951 of licence fees were earned for education and rehabilitation work with children and their families by our partners in the carpet producing areas of India and Nepal. GoodWeave has begun to license two producers in Afghanistan but to date no UK importers are involved.

Work continued to introduce and begin monitoring of the enhanced GoodWeave Standard to all licensees, partly funded by a grant from TRAID. The first inspections under the new standard have been made but the full implementation of the standard with all producers has been delayed to allow more training and explanation. GoodWeave UK was pleased to receive the second tranche of a grant of £15,000 from the Equitable Charitable Trust towards the end of the financial year. This grant was made to support the new work in Afghanistan.

The number of children supported by GoodWeave International was around 2,500 in 2014 and the start of inspection and monitoring in Afghanistan has significantly increased the numbers of children found working illegally.
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DIRECTORS’ REPORT (continued)

Financial Review

The Directors of GOODWEAVE UK report a net surplus of £10,924 for the period under review. This was made up of a surplus of £11,234 on unrestricted funds and a deficit of £310 on restricted funds. At the year-end there was a total reserve of £15,330; made up of a surplus of £14,687 of unrestricted funds and a surplus of £643 of restricted funds.

Details of the major items on the balance sheet can be found in the notes to the accounts. The fluctuations in debtors and creditors year on year are simply the result of the timing of receipts and payments around the year end.

Reserves and Risk Management

The trustees have examined the major risks that the charity faces and seeks to control these risks to mitigate any impact they may have on the charity.

Public Benefit Statement

Directors of a charity have a duty to report in their annual report on their charity’s public benefit. The Directors have concluded that the section above on “Activities and Achievements” demonstrates that GoodWeave UK’s work benefits a wide range of people and organisations in both the UK and South Asia and as a result:

- the aims of the charity continue to be charitable;
- the benefits are for the public, are not unreasonably restricted in any way and certainly not by ability to pay and;
- there is no detriment or harm arising from the aims or activities.

Independent Examiner

Mr Bill Alston retired as the company’s independent examiner during the year. John McCullagh was appointed by the directors to fill the vacancy. In accordance with Section 485 of the Companies Act 2006, a resolution proposing the appointment of Mr John McCullagh as independent examiner will be put to the annual general meeting.

Approved by the Board on the 18 March 2015 and signed on its behalf by:

[Signatures]

David Ould

Terry Hudgston
INDEPENDENT EXAMINER’S REPORT
TO THE DIRECTORS OF GOODWEAVE UK LTD

I report on the financial statements of GOODWEAVE UK Limited for the year ended 31st December 2014 set out on pages 8 and 9 and notes to the accounts on pages 10 to 13. These financial statements have been prepared in accordance with SORP 2005, under the historical cost convention and the accounting policies set out therein.

This report is made solely to the charity’s trustees, as a body, in accordance with Section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. My work has been undertaken so that I might state to the charity’s trustees those matters I am required to state to them in an independent examiner’s report and for no other purpose. To the extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for my audit work, for this report, or for the opinions I have formed.

Respective responsibilities of directors and independent examiner
As described on page 4 the company’s directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom accounting standards.

My responsibility is to examine the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Standards.

I report to you my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with Companies Act 2006. I also report to you if, in my opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if I have not received all the Information and explanations I require for the audit, or if information specified by law regarding directors’ remunerations with the company is not disclosed. I read the Report of the Directors and consider the implications for my report, if I become aware of any apparent misstatement within it.

Basis of Opinion
My work was conducted in accordance with the general directions given by the Charity Commission. An examination includes a review, on a test basis, of evidence relevant to the amount and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company’s circumstances, consistently applied and adequately disclosed.

I planned and performed the examination so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated adequately the presentation of information in the financial statements.

Opinion
In my opinion the financial statements give a true and fair view of the company’s affairs as at 31st December 2014 and of its surplus of incoming resources over resources expended for the year then ended and have been properly prepared in accordance with the Company’s Act 2006 and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities.

John McCullagh

Date: 10 April 2015
GOODWEAVE UK  
(A Company Limited by Guarantee)

Statement of Financial Activities  
(Including Income & Expenditure Account)  
For the year ended 31st December 2014

<table>
<thead>
<tr>
<th>Notes</th>
<th>Unrestricted Funds £</th>
<th>2014 Restricted Funds £</th>
<th>Total Funds £</th>
<th>2013 Total Funds £</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Incoming Resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>3</td>
<td>1,750</td>
<td>52,750</td>
<td>54,500</td>
</tr>
<tr>
<td>Donations</td>
<td>4</td>
<td>9,618</td>
<td>-</td>
<td>9,618</td>
</tr>
<tr>
<td>Licence Fees</td>
<td>2</td>
<td>-</td>
<td>52,416</td>
<td>52,416</td>
</tr>
<tr>
<td>Sundry Income</td>
<td>-</td>
<td>25,525</td>
<td>25,525</td>
<td>43</td>
</tr>
<tr>
<td>Gift Aid</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>75</td>
</tr>
<tr>
<td>Write Back of Accruals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,040)</td>
</tr>
<tr>
<td>Bank Interest</td>
<td>24</td>
<td>-</td>
<td>24</td>
<td>34</td>
</tr>
<tr>
<td><strong>Total Incoming Resources</strong></td>
<td></td>
<td></td>
<td>11,392</td>
<td>130,691</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Objectives</td>
<td>6</td>
<td>0</td>
<td>106,001</td>
<td>106,001</td>
</tr>
<tr>
<td>Management &amp; Admin.</td>
<td></td>
<td>158</td>
<td>25,000</td>
<td>25,158</td>
</tr>
<tr>
<td><strong>Total Resources Expended</strong></td>
<td></td>
<td></td>
<td>158</td>
<td>131,001</td>
</tr>
<tr>
<td><strong>Net incoming (outgoing) resources</strong></td>
<td></td>
<td></td>
<td>11,234</td>
<td>(310)</td>
</tr>
</tbody>
</table>

Balance at 1 Jan 2014  
3,453  
953  
4,406  
2,266

Balance at 31 Dec 2014  
14,687  
643  
15,330  
4,406
GOODWEAVE UK  
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Balance Sheet as at 31st December 2014

<table>
<thead>
<tr>
<th>Notes</th>
<th>2014 £</th>
<th>2013 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors and Prepayments</td>
<td>8</td>
<td>18,087</td>
</tr>
<tr>
<td>Cash at Bank and in hand</td>
<td></td>
<td>51,318</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td></td>
<td><strong>69,405</strong></td>
</tr>
<tr>
<td>LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts falling due within one year</td>
<td>7</td>
<td>(54,075)</td>
</tr>
<tr>
<td>Net Current Assets</td>
<td></td>
<td><strong>15,330</strong></td>
</tr>
<tr>
<td>FUNDS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted Funds General</td>
<td></td>
<td>14,687</td>
</tr>
<tr>
<td>Restricted Funds</td>
<td></td>
<td>643</td>
</tr>
<tr>
<td><strong>Total Funds</strong></td>
<td></td>
<td><strong>15,330</strong></td>
</tr>
</tbody>
</table>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies’ regime.

The Board of Directors approved these accounts on 18 March 2015:

David Ould Director

Terry Hudgilton Director
GOODWEAVE UK
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NOTES TO THE ACCOUNTS
For the Year Ended 31st December 2014

1) Accounting policies

   a) Basis of preparation

   i) The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2008) and the Companies Act 2006.

   ii) These accounts are the accounts of GOODWEAVE UK

   iii) These accounts have been prepared on an accruals basis and include income and expenditure as they are earned or incurred, rather than as cash is received or paid.

   iv) The recommendations of the Statement of Recommended Practice (Accounting and Reporting by Charities), issued in March 2005, have been followed in the preparation of these accounts.

   b) Fund accounting

   i) The company’s general fund consists of funds, which the company may use for its purposes at its discretion.

   ii) The company’s restricted funds are those where the licensee/donor has imposed restrictions on the use of the funds, which are legally binding.

   c) Voluntary income

   i) All voluntary income is included upon receipt.

   ii) Grants receivable are credited to income immediately upon receipt.

   d) Investment income

   Credit is taken for interest when the interest falls due for payment.

   e) Fixed assets and depreciation

   Fixed assets are included in the accounts at their historical cost and are written off through the statement of financial activities.

   f) Administration expenditure

   Administration expenditure comprises costs incurred in running the charity. Where applicable, some of these costs have been treated as direct charitable expenditure.
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NOTES TO THE ACCOUNTS (continued)
For the Year Ended 31st December 2014

2. Licence Fees:

Importers must pay a fee to be able to use the trademarked GOODWEAVE label and logo. 57% of the fee is sent to the GOODWEAVE office in the relevant producer country to fund random inspections, and welfare, education and rehabilitation activities. 43% contributes to promotion of the GOODWEAVE mark and aims in the UK.

Licensed importers must report on their imports and pay the licence fee within 30 days of each quarter day (March 31st, June 30th, September 30th, December 31st). Accounting is made for the quarter in which the licence fee is, or should have been, received for imports in the previous quarter.

Estimates of outstanding payments have been included in these accounts because they are a significant part of total assets and of the reserves.

Licence fee payments receivable = £52,416
Outstanding Licence Fee Payments to India/Nepal (Estimated) = £10,895

3. Grants:

TRAID - £45,000 (introduction of the new, wider GoodWeave standard in Afghanistan, India and Nepal.
Evan Cornish Charitable Trust - £2,000 (introduction of the new, wider GoodWeave standard in Afghanistan, India and Nepal.
Equitable Charitable Trust - £7,500 for GoodWeave operations in Afghanistan.

4. Donations:

Donations received included:
Wyndham Charitable Trust = £600
Rhododendron Charitable Trust = £500
Hertford College (Oxford University) = £400
Montefiore Trust = £8,000
Other = £118
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NOTES TO THE ACCOUNTS (continued)
For the Year Ended 31st December 2014

6. Direct Objectives

<table>
<thead>
<tr>
<th>Item of Expenditure</th>
<th>Unrestricted (£)</th>
<th>Restricted (£)</th>
<th>Total (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer of licence fees to GoodWeave</td>
<td>0</td>
<td>29,951</td>
<td>29,951</td>
</tr>
<tr>
<td>India/Nepal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GoodWeave International Project</td>
<td>0</td>
<td>53,060</td>
<td>53,060</td>
</tr>
<tr>
<td>Marketing and Licensing</td>
<td>0</td>
<td>22,990</td>
<td>22,990</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>0</strong></td>
<td><strong>106,001</strong></td>
<td><strong>106,001</strong></td>
</tr>
</tbody>
</table>

7. Liabilities

<table>
<thead>
<tr>
<th></th>
<th>2014 (£)</th>
<th>2013 (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licence payments to Nepal/India</td>
<td>10,895</td>
<td>12,379</td>
</tr>
<tr>
<td>Marketing Payments to GWI</td>
<td>8,698</td>
<td>7,030</td>
</tr>
<tr>
<td>Grant payment to GWI</td>
<td>7,500</td>
<td>0</td>
</tr>
<tr>
<td>VAT Payment</td>
<td>1,982</td>
<td>2,747</td>
</tr>
<tr>
<td>TRAID grant overpayment</td>
<td>25,000</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>54,075</strong></td>
<td><strong>22,156</strong></td>
</tr>
</tbody>
</table>

8. Debtors

<table>
<thead>
<tr>
<th>Item</th>
<th>2014 (£)</th>
<th>2013 (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licence fees</td>
<td>19,068</td>
<td>19,874</td>
</tr>
<tr>
<td>Over accrual in 2013</td>
<td>(1,056)</td>
<td>0</td>
</tr>
<tr>
<td>Over accrual in 2012</td>
<td></td>
<td>(417)</td>
</tr>
<tr>
<td>Marketing Partners/Memberships</td>
<td></td>
<td>(1,040)</td>
</tr>
<tr>
<td>Gift Aid</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18,087</strong></td>
<td><strong>18,492</strong></td>
</tr>
</tbody>
</table>

9. Share Capital:
The company is limited by guarantee and does not have share capital.

10. Remuneration of Directors:
No directors received any remuneration in the year.
11. Small Company Exemptions:

"These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008). For the financial year ended 31 December 2013 the company was entitled to exemption from audit under section 477 Companies Act 2006; and no notice has been deposited under section 476.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company."