

GOODWEAVE UK
(A company limited by guarantee)

REPORT & FINANCIAL STATEMENTS
For the Year Ended 31st December 2021

Charity Registration No: 1139218
Company Registration No: 4210546 (England & Wales)

GOODWEAVE UK
(A Company Limited by Guarantee)

THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

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The trustees of the charity present their report and financial statements for the year ended 31st December 2021.

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 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

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)
Amanda Berlan
Jonathan Blagbrough
Terry Hudghton

COMPANY SECRETARY

David Ould

INDEPENDENT EXAMINER

John McCullagh
39 The Farthings
Kingston Upon Thames
KT2 7PT

SOLICITORS

Lovells
65 Holborn Viaduct
London EC1A 2FG

BANKERS

The Co-operative Bank plc
PO Box 101
1 Balloon Street
Manchester
M60 4EP

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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 certified 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 and other industries with similar employment issues, 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, rugs and other products 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 Charities SORP (FRS 102);

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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. The Directors are selected by the Board in the light of their knowledge and experience of the issues on which GoodWeave UK works.

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

In 2021 marketing for GoodWeave UK continued to be managed by GWI, employing a part-time UK-based consultant to handle regular contacts with the licensees in the UK.

In 2021 the total UK licence fees were £70,896 of which £40,510 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. This was an increase of 47% over 2020, mainly because of the gradual move out of lockdown in 2021. GoodWeave signed four new carpet licensees in the UK in 2021, but this was offset by the termination of four small licensees.

To date, GWI and its associates have rescued more than 8950 children, supported education for 44,000 children, and now works with more than 140 importers worldwide to monitor their supply chains. 99,000 adults worked on sites licensed and inspected by GoodWeave International in India, and Nepal in 2021 and more than 10,000 inspections were carried out.

Activities in 2021 continued to be affected by the Covid 19 pandemic. Almost all licensees stopped activity in Q2 2020 and only slowly reopened in 2021. Inspections in India and Nepal restarted in Q3 2020 but in 2021 these were still only possible by internet/telephone and other remote working methods. This meant that it was not possible to fully inspect licensees and full annual inspections could not be carried out. There was also a significant delay in accrediting new licensees. It is hoped that the full inspection system will be in operation by the second quarter of 2022.

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DIRECTORS' REPORT (continued)

In 2020/2021 GWI raised more than £275,000 for COVID relief, the majority of which was spent on critical food relief for vulnerable workers and families in India, Nepal and Bangladesh. Food reached 114,000 people and we also distributed PPE to licensee supply chains, helped informal, migrant workers secure bank accounts in order to receive government aid, established e-learning opportunities for children in our Child Friendly Communities in India and underwrote COVID-protocols at our home for rescued children in Nepal, including paying for testing and PPE and establishing separate space for newly rescued children.

Financial Review

The Directors of GoodWeave UK report a net surplus of £2,295 for the period under review. At the year-end there was a total reserve of £11,585; made up of £10,944 of unrestricted funds and £641 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 agreed that GoodWeave UK can continue its operations and carry out its charitable activities with minimal reserves and as a result the reserves will be kept at a basic level during 2022. The trustees intend to allocate some of the existing unrestricted reserves as soon as GWI operations return to normal. The trustees are confident that, because of the current methods of operation, this policy does not create any significant risk for the charity or its beneficiaries.

The trustees regularly examine the major risks that the charity faces and seeks to control these risks to mitigate any impact they may have on the charity. These figures are for 2021 and were still affected by the impact of Covid 19 on the UK and international economy. All large outstanding licence fees for 2021 have been paid and most licensees restarted operations in 2021. In practice the fees are simply passed through the GWUK accounts and so any loss to GWUK debtors will be offset by the same reduction in creditors.

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.

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DIRECTORS' REPORT (continued)

Fundraising Statement

The trustees have taken note of Sections 13 and 14 of the Charities (Protection and Social Investment) Act of 2016. GoodWeave UK does not use professional fundraisers. Fundraising activity with the general public is limited to a donation button on the website and links to this from social information platforms. No complaints about such activity were received by the charity during 2021.

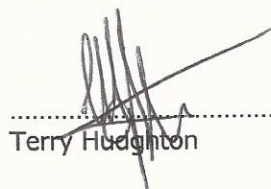
Independent Examiner

John McCullagh carried out the Independent Examination of the Company. In accordance with Section 485 of the Companies Act 2006, a resolution proposing the re-appointment of Mr John McCullagh as independent examiner will be put to first Board Meeting following the annual general meeting.

Approved by the Board on the 11th April 2022 and signed on its behalf by:



.....
David Ould



.....
Terry Houghton



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 2021 set out on pages 9 - 11 and notes to the accounts on pages 12 to 15. These financial statements have been prepared in accordance with the Charities SORP (FRS 102) 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 2021 and of the deficit 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 Charities SORP (FRS 102).



.....
John McCullagh

Date: 29 April 2022

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Statement of Financial Activities
(Including Income & Expenditure Account)
For the year ended 31st December 2021

	Notes	Unrestricted Funds £	2021 Restricted Funds £	Total Funds £	2020 Total Funds £
<u>Income and Endowments from Charitable Activities</u>					
Grants	3	-	-	-	-
Donations	4	2428	808	3,236	3,753
Licence Fees	2	-	70,896	70,896	48,324
Sundry Income	5	-	863	863	799
Gift Aid		400	-	400	655
Bank Interest		-	-	-	-
Total Incoming Resources		2,828	72,567	75,395	53,531
<u>Expenditure on Charitable Activities</u>					
Direct Objectives	6	-	72,238	72,238	49,123
Grants	6	-	808	808	5,943
Management & Admin.	6	54	-	54	62
Total Resources Expended		54	73,046	73,100	55,128
Net income (expenditure)		2,774	(479)	2,295	(1,597)
Balance at 1 Jan 2021		8,170	1,120	9,290	10,887
Balance at 31 Dec 2021		10,944	641	11,585	9,290

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Balance Sheet as at 31st December 2021

	Notes	2021 £	2020 £
CURRENT ASSETS			
Debtors and Prepayments	8	36,580	40,706
Cash at Bank and in hand		34,328	17,617
		70,908	58,323
LIABILITIES			
Amounts falling due within one year	7	(59,323)	(49,033)
Net Current Assets		11,585	9,290
FUNDS			
Unrestricted Funds General		10,944	8,170
Restricted Funds		641	1,120
		11,585	9,290

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.

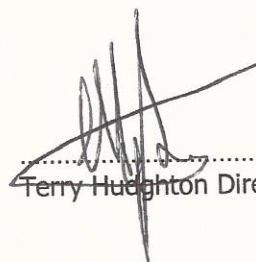
The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements

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 11th April 2022.



.....
 David Ould Director



.....
 Terry Houghton Director

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Statement of Cash Flow at 31st December 2021

	Total Funds	Prior Year Funds	Note
	£	£	
Cash Flows from Operating Activities	16,711	2,898	Table 9
Interest	-	3	
Change in cash in 2021			
Cash at 1 January	17,617	14,716	
Cash at 31 December	34,328	17,617	

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NOTES TO THE ACCOUNTS
For the Year Ended 31st December 2021

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 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), have been followed in the preparation of these accounts. GoodWeave UK is a Public Benefit Entity as defined by FRS 102.

b) Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees' continue to adopt the going concern basis of accounting in preparing the accounts.

b) Fund accounting

- i) The company's unrestricted 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) Administration expenditure

Administration expenditure comprises costs incurred in running the charity. Where applicable, these costs have been treated as direct charitable expenditure.

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NOTES TO THE ACCOUNTS (continued)
For the Year Ended 31st December 2021

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. In 2021 GWUK had to write off £600 of licensee debts because the companies concerned had ceased GoodWeave related activity. This had no impact on the profit and loss as it reduced our GWI creditor by the same amount.

Licence fee payments owed to GWUK at year end = £35,589

3. Grants Received:

4. Donations Received:

Donations received included:

Wyndham Charitable Trust = £1,000

5. Marketing Partner/Sponsor Payments Receivable:

Income from marketing partner/sponsor = £1,342 (£591 receivable at the year-end)

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NOTES TO THE ACCOUNTS (continued)
For the Year Ended 31st December 2021

6. Direct Objectives

Item of Expenditure	Unrestricted (£)	Restricted (£)	Total (£)
GoodWeave International Project Grant to GWI*	-	-	-
Total Grants	-	-	-
Transfer of licence fees to GoodWeave India/Nepal	-	40,510	40,510
Marketing and Licensing	-	31,728	31,728
Support to GWI	-	808	808
Management & Administration	54	-	54
Total	54	73,046	73,100

*Note: no support costs were incurred in making the grants apart from bank charges for the transfers.

7. Liabilities

	2021 (£)	2020 (£)
Licence payments to Nepal/India	32,651	23,554
Marketing Payments to GWI	25,083	18,256
Previous Year Correction/BF	-	(479)
VAT Payment	1,589	7,702
Total	59,323	49,033

*Note: Liabilities corrected by £479 in 2021 to reflect overpayment to GWI in previous years.

8. Debtors

Item	2021 (£)	2020 (£)
Licence fees	35,589	40,117
Private Label Fees	591	589
Gift Aid	400	-
	36,580	40,706

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NOTES TO THE ACCOUNTS (continued)
For the Year Ended 31st December 2021

9. Reconciliation of Net Income/(Expenditure) to Operating Activity Net Cash Flow

	2021 (£)	2020 (£)
Net Income/(Expenditure) for 2020 as per the SOFA	2,295	(1,597)
Adjustments for:		
Interest	-	(3)
(Increase)/Decrease in Debtors	4,126	2,305
Increase/(Decrease) in Creditors	10,290	2,193
Net Cash Used in Operating Activities	16,711	2,898

10. Share Capital:

The company is limited by guarantee and does not have share capital.

11. Remuneration of Directors:

No directors received any remuneration or repayment of expenses in the year.

12. 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."