GREENCORE TECHNOLOGY INC
Form 10KSB
November 05, 2008

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-KSB

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal years ended June 30, 2006, June 30, 2007, June 30, 2008

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____ to ____

Commission File Number 1-16165

GreenCore Technology, Inc.
(Formerly Aquacell Technologies, Inc.)
(Name of small business issuer in its charter)

Delaware	33-0750453
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

10410 Trademark Street, Rancho Cucamonga, CA	91730
(Address of principal executive offices)	(Zip Code)

Issuer's telephone number: (909) 987-0456

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock, par value $.001 per share

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes __ No X

Check if there is no disclosure of delinquent filers pursuant to Item 405 of Regulation S-B contained herein, and will not be contained, to the best of issuer's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. [X]

State issuer's revenues for its most recent fiscal year: $171,000.00

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes __ No X

As of September 30, 2008, the aggregate market value of the issuer's Common Stock (based on its reported last sale price on the OTC Pink Sheets) held by non-affiliates of the issuer was $4,475,000.

At September 30, 2008 34,632,888 shares of issuer's Common Stock were outstanding.

EXPLANATORY NOTE

The accompanying Form 10-KSB reports the annual consolidated financial statements for the years ended June 30, 2006, 2007 and 2008, in addition to summary unaudited quarterly financial information for the quarterly periods of 2006, 2007 and 2008.

Table of Contents

PART I

ITEM 1. BUSINESS

Background

GreenCore Technology, Inc. formerly AquaCell Technologies, Inc. (the "Company") was incorporated in Delaware on March 19, 1997, and historically conducted business in the water industry.

In the calendar year ended June 2005, the Company's operations consisted of two operating subsidiaries, Aquacell Media, Inc. and Aquacell Water, Inc. AquaCell Media, operated in the out-of-home advertising segment of the advertising industry. The Company had placed approximately 1400 of its patented self-filling water coolers into retail locations and sold advertising on the bottle label. Aquacell Water, Inc. (formerly Water Science Technologies, Inc.) engaged in the manufacture and sale of products for water filtration and purification, addressing various water treatment applications for municipal, industrial, commercial, and institutional purposes.

On March 9, 2006, the Company separated it's wholly owned subsidiary Aquacell Water, Inc. through a spinoff distribution to its shareholders, registering the spinoff shares on a Form 10 registration statement. Holders of record of the Company's common shares as of the close of business on March 9, 2006, which was the record date, received one share of Aquacell Water common stock for every one share of AquaCell Technologies common stock held, provided they had not sold the shares between the record date and distribution date of April 3, 2006. On May 23, 2006 Aquacell Water began trading on the OTC Bulletin Board as an independent public company.

The year ended June 2007 was a transition year for the Company. The Company exited the out-of-home advertising business and in January 2007, embarked upon a redirection of its business. In May 2007, the Company acquired GPM, Inc. a patent holder and manufacturer of a solar powered air conditioner. Since acquiring GPM, the Company has further developed the product to meet the needs of specific niche market segments that the Company has selected to target.

For the year ended June 2008, the Company's focus has been solely on environmentally friendly or "green" technologies, including the GreenCore solar powered air conditioner and the repositioning of its self-filling water cooler as an eco-friendly product.

Our Products

We manufacture and sell environmentally friendly or "green" products. Unlike many products that are eco-friendly, our products have been designed to save money in comparison to costs for similar traditional products.

Solar Air Conditioning

Following the acquisition of GPM we redesigned and updated the solar powered air conditioner through an aggressive development program, utilizing the services of engineers that specialize in direct current electricity and in refrigeration. We have designed two solar air conditioner models marketed under the GreenCore Air name: GC10200-1, which is a free-standing unit with options to allow for ducted installation or direct discharge; and GC10200-2 which is a mobile system. Our solar powered DC air conditioner provides air conditioning without the high operating cost associated with even the most efficient traditional AC powered air conditioners. These two systems are the flagship products of our business.

Our GreenCore solar powered air conditioner is a 24-volt, all DC (direct current) air conditioner, designed to be primarily powered by energy generated by photovoltaic (solar) panels and stored in batteries. When power from the sun is not available, the technology developed by the Company allows the systems to automatically switch to utilize the energy stored within the batteries. For complete grid-free applications, the solar array and battery storage is sized to ensure the system will continue to run in the event the sun does not shine for an extended period of time.

We have designed our solar powered air conditioner to be either grid-free, or to operate as a hybrid system with AC (alternating current) battery charging capability, allowing the solar array to be smaller. Our system can also be interfaced with existing photovoltaic systems, or with other alternative energy generators such as wind power.

The GreenCore 10200 solar air conditioner, which utilizes R134A refrigerant, produces 10,200 BTUs and is capable of cooling areas up to 600 square feet. The SEER and EER standards for ratings associated with the energy efficiency of air conditioners are not applicable to our DC air conditioner, as these ratings are based upon the amount of electricity used from the electrical grid for BTU exchange. Additionally, as an option, the GreenCore 10200 may be configured to provide both air conditioning and heat, making it a complete climate control system.

Environmentally Friendly "Bottled" Water

We have repositioned our self-filling Aquacell bottled water cooler system as a "green" product, given that it replaces bottled water which is known to have a negative environmental impact. Our self-filling cooler is connected to a tap water source and filtered through an extensive filtration system which includes ultra-violet light for disinfections. The water flows into the permanently attached five-gallon bottle, which refills itself each time water is dispensed, eliminating the need to replace the bottle.

Replacing bottled water with an Aquacell Bottled Water Cooler System can provide significant savings to corporations and other users, in addition to eliminating problems related to storing and handling heavy bottled water.

Environmental Sustainability and Responsibility - Trends in society

Pollution, climate change and depletion of natural energy resources are the most significant environmental problems facing the world today.

According to the EPA, America is shifting to a "green culture" with more and more businesses recognizing that environmental responsibility is everyone's responsibility. While early eco-sensitive companies were often ridiculed, now even the world's largest chemical companies are making bold transformations to improve the environment.

Corporations are faced with developing corporate responsibility and sustainability strategies while maximizing shareholder value, often a difficult task. Their goal is to meet the needs of the present without compromising the needs for future generations. Nearly every major corporation has a "green" initiative, from facility departments, to manufacturing, transportation and marketing.

Environmental Impacts

Environmental Impact of Air Conditioning

It has been estimated that approximately 16% of all electricity used in the United States is for air conditioning. Despite new environmental standards for efficiency ratings for air conditioning equipment, the demand for air conditioning continues to increase. This increase is primarily due to the increase in the need for cooling IT and data centers. Even as computing equipment becomes smaller, it uses the same or even more electricity than the equipment it replaced, generating as much or more heat in data centers that must be removed in order for the equipment to operate.

According to an EPA report, it is estimated that in 2006, data centers consumed 1.5 percent of the total U.S. electricity consumption, which is expected to double by the year 2011. Fifty percent of the electricity used in data centers is for cooling equipment.

Environmental Impact of Bottled Water

Recent reports show that the staggering increase in the sales of bottled water have resulted in nearly 40 billion water bottles being deposited in land fills every year. Cities such as San Francisco, New York and Salt Lake City are restricting or eliminating the sales of bottled water by city offices, and discouraging its use. In addition to the environmental impact of water bottles filling land fills, the manufacturing of plastic water bottles has its own environmental impact. In fact, nearly every step in the bottling process has an environmental impact. The water treatment process often requires bottlers to waste up to six gallons of water for each gallon it produces. A bottler in California received significant fines for the amount of sewer water it generated from its purification process, and acknowledged that their waste water was perfectly suited for consumption. Other bottlers have been cited for the disruption of natural pristine water sources to meet growing demands for bottled water in urban regions. Many locales are refusing to allow water bottling plants to operate in their towns or counties.

Further enhancing the negative environmental impact is the transportation and unnecessary use of fossil fuels. Water is generally transported from the source in tanker trucks to the bottling plant, and then the bottles are re-transported via truck, rail, ship or sometimes even air. At more than eight pounds per gallon, trucks that transport water generally are not able to carry a full load of bottles.

According to the Pacific Institute, it is estimated that producing the bottles for American consumption of bottled water in 2006 required the equivalent of more than 17 million barrels of oil. Overall, the average energy cost to make the plastic, fill the bottle, transport it to market and then deal with the waste would be like filling up a quarter of every bottle with oil.

Marketing

For the initial introduction of our revolutionary solar powered air conditioner, we participated in various solar related trade shows, and have taken our off-grid mobile showroom to a number of location. The mobile showroom, which utilities a 48 foot semi trailer, is outfitted with the GreenCore solar powered air conditioner model 10200-1, as well as with the earth-friendly Aquacell 1000 self-filling water cooler. All electricity for the showroom is generated by solar panels mounted on the roof, powering the air conditioner, water cooler, lights, computers and other items.

We were invited to participate in several Earth Day related events for Universal Studios, 20th Century Fox, LA Community College and the Los Angeles Metro Water District. Additionally, we provided off-grid air conditioning to the American Idol Season Finale VIP Party.

Our target markets for the solar powered air conditioner include commercial locations with a small footprint that requires cooling and my have limited access to reliable electricity. The applications include modular classroom and offices, construction trailers and telecommunication data centers.

We have placed our marketing emphasis on applications that traditionally utilize Single Package Vertical Unit (SPVU) air conditioners. SPVUs are a product classification of ASHRAE (American Society of Heating, Refrigeration and Air Conditioning Engineers) which have been exempted from the Department of Energy's efficiency requirements, allowing for an energy efficiency rating of 8.6. Replacing air conditioners of this low rating allows the Company to provide significant reduction in operating costs. These air conditioners are typically used in modular classrooms, construction trailers and telecommunication data centers.

We have also set up distributors in the Baja region of Mexico and the State of Texas. We have appointed agents to establish distribution networks in key marketing areas, including the Middle East and Europe. Additionally, we are in the process of reviewing applications and interviewing for distributors both domestic and international.

Target markets for our Aquacell Bottled Water Cooler System include commercial entities desiring to promote an eco-friendly workplace, while saving money in comparison to delivered bottled water costs. The Company is looking to establish a marketing partner for this product.

5

Aquacell Water, Inc.

In March 2002 the Company acquired Water Science Technologies (WST) and in August 2005 changed its name to Aquacell Water, Inc. Aquacell Water manufactures custom designed turnkey water purification and treatment systems for municipal, industrial and commercial applications, with concentration and expertise in arsenic removal systems for public drinking water providers.

Depending upon the source of the water - ground water, surface water or seawater - its content and the required quality of the treated water, Aquacell Water builds a custom system designed to meet the specifications of the end user. We engineer and design the systems we produce to ensure that we meet the needs of our customers, and provide installation, maintenance and training, with an emphasis on arsenic removal for public drinking water systems.

In March 2006, Aquacell Water, Inc. was separated from the Company in a distribution to the Company's shareholders.

Customers

Our GreenCore Air customers include various distributors established by the Company, who have distributed our solar air conditioners to companies including McDonald's and MetroPCS. We also have sold systems directly to the US government's Naval Research Laboratories.

Our Aquacell Water Cooler customers include a broad range of corporations and government entities,,

Production, Raw Materials and Supplies

Our products are manufactured in our 10,000 square foot manufacturing facility located in Rancho Cucamonga, California,

Upon completion of manufacture, each product undergoes quality assurance testing prior to shipping and installation. Many of the raw materials and components used in our products are commonly available commodities such as fittings, and tubing, while others are specifically manufactured to our specifications in accordance with our proprietary technology. Our products are fabricated from these materials and assembled together to form an integrated product. Multiple vendors have been identified as sources for most parts and supplies for our products and we do not anticipate any shortages of such materials. We have dependence on certain single source suppliers for some of our parts. If any supplier were to become unable to perform, we believe we could readily find a substitute source for most products, while others may take longer to find a suitable substitute source. We are not a party to any material long-term fixed price supply contracts.

Government Regulation

The market for alternative energy products is strongly influenced by federal, state and local government regulations and policies. In the United States these regulations and policies are modified from time to time. Customer purchases of alternative energy products could be deterred by these regulations and policies and their modifications, which could affect the potential demand for our products.

Any changes in applicable regulations or their enforcement may affect our operations by imposing additional regulatory compliance costs on our customers, requiring modification of our products or affecting the market for our products. To the extent that demand for our products are created by the need to comply with such enhanced standards or their enforcement, any modification of the standards or their enforcement may reduce demand, thereby adversely affecting our business, financial condition or results of operations. The relaxation or repeal of any such laws or regulations or the strict enforcement thereof could also adversely affect our business and prospects. Conversely, changes in applicable environmental requirements imposing additional regulatory compliance requirements or causing stricter enforcement of these laws or regulations could increase the demand for our products.

Competition

While we believe that we can deliver our products on an economically competitive basis, there can be no assurance in that regard. Consequently, we may encounter significant competition in our efforts to achieve our strategic goals. There can be no assurance that our competitors will not develop products that are superior to ours or achieve greater market acceptance than our products. Competition could have a material adverse effect on our ability to consummate arrangements with customers or enter into strategic business alliances. Moreover, in response to changes in the competitive environment, we may make certain pricing, service or marketing decisions or enter into acquisitions or new ventures that could have a material adverse effect on our business, financial condition and results of operations.

Intellectual Property

We own a United States patent on solar powered air conditioning. We intend to seek appropriate additional trademark or service mark registrations in connection with our product and service offerings.

Employees

As of June 30, 2008 we had 12 employees. None of our employees are covered under collective bargaining agreements although we do have employment agreements with certain executives. Management believes we maintain a good relationship with our employees.

ITEM 2. PROPERTIES

Our principal executive office and our 10,000 square foot manufacturing facility are located in Rancho Cucamonga, California under a five-year lease that commenced on January 1, 1999 and expires on December 31, 2009. That lease has an annual base rent of $86,000. We believe that, if necessary, alternative space is readily available at comparable rates and on comparable terms with respect to all of our leased properties. We also believe that we can obtain additional space necessary to support increases in our future operation. We believe that the properties described above are currently protected by adequate insurance.

ITEM 3. LEGAL PROCEEDINGS

The Company is a defendant, along with other parties, in an action in the Superior Court of the State of California, San Bernardino County, commenced in April 2008 by SolCool, LLC, a former distributor for the Company. The plaintiff is claiming approximately $235,000 in damages arising from an alleged breach of contract of a distribution agreement between the parties. The Company has interposed a counterclaim in excess of the amount sought by the plaintiff for breach of the aforesaid distribution agreement and trade name infringement. The Company is vigorously defending the lawsuit, which is in its initial stages, and accordingly, no firm prediction as to the outcome of the lawsuit can be made at this time.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

In June 2008 the Company solicited the written consent of a majority of its stockholders pursuant to the provisions of Delaware General Corporation Law Section 228 to amend its Certificate of Incorporation changing the company name to GreenCore Technology, Inc. and increasing the number of authorized common shares from 75,000,000 to 200,000,000. A majority of stockholders consented to amend the proposed amendment, which was filed with the Delaware Secretary of State on June 30, 2008.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's Common Stock commenced quotation on the American Stock Exchange on February 12, 2001 following its initial public offering. The following table sets forth, for the periods indicated, the last sale prices for the Common Stock as reported by American Stock Exchange:

Period	High ($)	Low ($)
Fiscal 2009		
October 1 - October 15	$ 0.13	$ 0.06
First Quarter	0.22	0.13
Fiscal 2008		
Fourth Quarter	$ 0.35	$ 0.16
Third Quarter	0.32	0.17
Second Quarter	0.57	0.18
First Quarter	0.49	0.23
Fiscal 2007		
Fourth Quarter	$ 0.63	$ 0.35
Third Quarter	0.23	0.09
Second Quarter	0.30	0.01
First Quarter	0.08	0.05
Fiscal 2006		
Fourth Quarter	$ 0.28	$ 0.07
Third Quarter	0.33	0.16
Second Quarter	0.55	0.15
First Quarter	0.68	0.36

In March 2006, the Company separated it's wholly owned subsidiary Aquacell Water, Inc. from itself through a distribution to its shareholders. In May 2006 Aquacell Water began trading as an independent public company.

On September 30, 2008 the last sale price of the Common Stock as reported by Pink Sheets was $0.17. On September 30, 2008, there were approximately 135 holders of record of the Company's Common Stock and, the Company believes, approximately 1300 beneficial owners of the Company's Common Stock.

Depending upon the Company's capital resources and needs, the Company has no present plans to pay cash dividends in the future. The payment of dividends on common stock, if any, in the future is within the discretion of the Board of Directors and will depend upon the Company's earnings, its capital requirements and financial condition, and other relevant factors, although this may change based upon the foregoing factors.

Recent Sales of Unregistered Securities

During the year ended June 30, 2007 the Company made the following sales of unregistered securities:

Date of Sale	Title of Security	Number Sold	Consideration Received and Description of Underwriting or Other Discounts to Market Price Afforded to Purchasers	Exemption From Registration Claimed

12/06	Common Stock	137,500	Issued upon exercise of warrants Cash received $25,625 less offering expenses of $3000	4(2); 4(6)
01/07	Common Stock	1,354,887	Issued upon exercise of warrants Cash received $127,231 less offering expenses of $9000	4(2); 4(6)
02/07	Common Stock	813,333	Issued upon exercise of warrants Cash received $32,000 less offering expenses of $3000	4(2); 4(6)
12/06	Warrants to Purchase Common Stock	68,750	Issued in connection with repricing of certain exercised warrants. No consideration unless warrants are converted	4(2); 4(6)
01/07	Warrants to Purchase Common Stock	412,859	Issued in connection with repricing of certain exercised warrants	4(2); 4(6)
01/07	Warrants to Purchase Common Stock	942,028	Issued in connection with repricing of certain exercised warrants	4(2); 4(6)
02/07	Warrants to Purchase Common Stock	813,333	Issued in connection with private placement	4(2); 4(6)
11/06	Common Stock	500,000	Issued in connection with a consulting agreement	4(2); 4(6)
01/07	Common Stock	1,000,000	Issued in connection with an employment agreement	4(2); 4(6)
03/07	Common Stock	500,000	Issued in connection with a placement agency agreement	4(2); 4(6)
02/07	Notes Convertible to Common Stock	4,500,000	Issued in connection with Private Offering to Accredited Investors. Cash received $900,000 less offering expenses of $54,000	4(2); 4(6)
04/07	Notes Convertible to Common Stock	500,000	Issued in connection with Private Offering to Accredited Investors. Cash received $100,000	4(2); 4(6)
05/07	Notes Convertible to Common Stock	10,000,000	Issued in connection with Private Offering to Accredited Investors. Cash received $2,000,000 less offering expenses of $200,000	4(2); 4(6)
06/07	Notes Convertible to Common Stock	5,500,000	Issued in connection with Private Offering to Accredited Investors. Cash received $1,100,000 less offering expenses of $110,000	4(2); 4(6)

During the year ended June 30, 2008 the Company made the following sales of unregistered securities:

Date of Sale	Title of Security	Number Sold	Consideration Received and Description of Underwriting or Other Discounts to Market Price Afforded to Purchasers	Exemption From Registration Claimed
03/08	Common Stock	540,000	Issued in connection with Consulting Agreement	4(2); 4(6)
03/08	Warrants to Purchase Common Stock	540,000	Issued in connection with Consulting Agreement. No consideration unless warrants are converted	4(2); 4(6)
06/08	Notes Convertible to Common Stock	1,810,000	Issued in connection with Private Offering to Accredited Investors. Cash received $362,000 less offering expenses of $18,120	4(2); 4(6)

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

When used in this Form 10-KSB and in future filings by the company with the Commission, statements identified by the words "believe", "positioned", "estimate", "project", "target", "continue", "will", "intend", "expect", "future", "anticipates", and similar expressions express management's present belief, expectations or intentions regarding the company's future performance within the meaning of the Private Securities Litigation Reform Act of 1995. The safe harbor in the Private Securities Litigation Act of 1995 does not apply to statements made in this document. Readers are cautioned not to place undue reliance on any such forward-looking statements, each of which speaks only as of the date made. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical earnings and those presently anticipated or projected. The company has no obligations to publicly release the result of any revisions which may be made to any forward-looking statements to reflect anticipated or unanticipated events or circumstances occurring after the date of such statements.

Overview

The following discussions and analysis should be read in conjunction with the Company's consolidated financial statements and the notes presented following the financial statements. The discussion of results, causes and trends should not be construed to imply any conclusion that such results or trends will necessarily continue in the future.

In the calendar year ended December 2005, the Company's operations consisted of two operating subsidiaries, Aquacell Media, Inc. and Aquacell Water, Inc. AquaCell Media, operated in the out-of-home advertising segment of the advertising industry. The Company had placed approximately 1,400 of its patented self-filling water coolers into retail locations and sold advertising on the bottle label. Aquacell Water, Inc. (formerly Water Science Technologies, Inc.) engaged in the manufacture and sale of products for water filtration and purification, addressing various water treatment applications for municipal, industrial, commercial, and institutional purposes.

On March 9, 2006, the Company separated it's wholly owned subsidiary Aquacell Water, Inc. from itself through a distribution to its shareholders.

The year ended June 2007 was a transition year for the Company. The Company exited the out-of-home advertising business and in January 2007, embarked upon a redirection of its business. In May 2007, the Company acquired GPM, Inc. a patent holder and manufacturer of a solar powered air conditioner. Since acquiring GPM, the Company has further developed the product to meet the needs of specific niche market segments that the Company has selected to target.

For the year ended June 2008, the Company's focus has been solely on environmentally friendly or "green" technologies, including the GreenCore solar powered air conditioner and the repositioning of its self-filling water cooler as an eco-friendly product.

Following the Company's acquisition of GPM in May 2007 the DC solar powered air conditioner has been in the engineering and development stage just recently being marketed by the Company and installed in limited locations. As such, the Company's revenue has been minimal during the years ended June 30, 2007 and 2008 with sales and marketing efforts commencing in July 2008.

The Registrant, a small business issuer with limited resources, has been behind in filing its periodic reports since March 2006. In an effort to become current the company has focused its attention and resources on completing its past due financial audits by filing a comprehensive Form 10-KSB covering the fiscal years ended 2006, 2007 and 2008.

Critical Accounting Policies

The accompanying discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, and expenses, and related disclosure of contingent assets and liabilities. These estimates form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We base our estimates and judgments on historical experience and all available information. However, future events are subject to change, and the best estimates and judgments routinely require adjustment. US GAAP requires us to make estimates and judgments in several areas, including those related to recording various accruals, income taxes, the useful lives of long-lived assets, such as property and equipment and intangible assets, and potential losses from contingencies and litigation. We believe the policies discussed below are the most critical to our financial statements because they are affected significantly by management's judgments, assumptions and estimates.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of net assets of a business acquired. The Company has adopted Statements of Financial Accounting Standards No. 142 (SFAS 142), "Goodwill and Other

Intangible Assets". Fair value of the reporting unit is determined by comparing the fair value of the unit with its carrying value, including goodwill. Impairment tests are performed using discounted cash flow analysis and estimates of sales proceeds. The annual evaluation of goodwill is performed at June 30th, the end of the Company's fiscal year.

Based on impairment testing performed, the Company determined that there was no impairment of the recorded amount of goodwill of $750,000 related to the GPM acquisition at June 30, 2007 and 2008.

Income Taxes

The Company accounts for income taxes using the asset and liability method described on SFAS No. 109, "Accounting For Income Taxes", the objective of which is to establish deferred tax assets and liabilities for the temporary differences between the financial reporting and the tax bases of Water's assets and liabilities at enacted tax rates expected to be in effect when such amounts are realized or settled. A valuation allowance related to deferred tax assets is recorded when it is more likely than no that some portion or all of the deferred tax assets will not be realized.

New Accounting Pronouncements

In June 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48), an interpretation of SFAS 109, "Accounting for Income Taxes." FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS 109. FIN 48 prescribes a two-step process to determine the amount of tax benefit to be recognized. First, the tax position must be evaluated to determine the likelihood that it will be sustained upon examination. If the tax position is deemed "more-likely-than-not" to be sustained, the tax position is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. FIN 48 was adopted by the Company in fiscal 2008 and did not have any impact on its consolidated results of operations and financial position.

In September 2006, the FASB issued SFAS 157, "Fair Market Measurements." SFAS 157 clarifies the definition of fair value, establishes a framework for measuring fair value and expands disclosure on fair value measurement. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and will be applied on a prospective basis. The Company does not expect the adoption of SFAS 157 to have a material impact on its consolidated results of operations, financial position or cash flows.

In February 2007, the FASB issued SFAS 159, "The Fair Value Option for Financial Assets and Financial Liabilities." SFAS 159 permits entities to measure many financial instruments and certain other items at fair value at specified election dates. Under SFAS 159, any unrealized holding gains and losses on items for which the fair value option has been elected are reported in earnings at each subsequent reporting date. If elected, the fair value option (1) may be applied instrument by instrument, with a few exceptions, such as investments otherwise accounted for by the equity method; (2) is irrevocable (unless a new election date occurs); and (3) is applied only to entire instruments and not to portions of instruments. SFAS 159 is effective as of an entity's first fiscal year that begins after November 15, 2007. The Company is currently evaluating the potential impact of SFAS 159 on its consolidated results of operations and financial position.

In December 2007, the FASB issued SFAS 141 (revised 2007), "Business Combinations". SFAS 141R is a revision to SFAS 141 and includes substantial changes to the acquisition method used to account for business combinations (formerly the "purchase accounting" method), including broadening the definition of a business, as well as revisions to accounting methods for contingent consideration and other contingencies related to the acquired business, accounting for transaction costs, and accounting for adjustments to provisional amounts recorded in connection with acquisitions. SFAS 141R retains the fundamental requirement of SFAS 141 that the acquisition method of accounting be used for all business combinations and for an acquirer to be identified for each business combination. SFAS 141R is effective for periods beginning on or after December 15, 2008, and will apply to all business combinations occurring after the effective date. The Company is currently evaluating the potential impact of SFAS 141R on its consolidated financial statements.

In December 2007, the FASB issued SFAS 160, "Non-controlling Interests in Consolidated Financial Statements - an amendment of Accounting Research Bulletin No. 51, Consolidated Financial Statements" ("ARB 51"). This Statement amends ARB 51 to establish new standards that will govern the (1) accounting for and reporting of non-controlling interests in partially owned consolidated subsidiaries and (2) the loss of control of subsidiaries. Non-controlling interest will be reported as part of equity in the consolidated financial statements. Losses will be allocated to the non-controlling interest, and, if control is maintained, changes in ownership interests will be treated as equity transactions. Upon a loss of control, any gain or loss on the interest sold will be recognized in earnings. SFAS 160 is effective for periods beginning after December 15, 2008. The Company is currently evaluating the potential impacts of SFAS 160 on its consolidated results of operations and financial position.

In March 2008, the FASB issued ASAS No. 161, "Disclosure about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133" (SFAS 161), which establishes, among other things, the disclosure requirements for derivative instruments and hedging activities. SFAS 161 requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of and gains and losses on derivative instruments, and disclosures about credit-risk-related contingent features in derivative agreements. SFAS 161 is effective for fiscal periods and interim period beginning after November 15, 2008. The Company does not expect the adoption of SFAS 161 to have a material impact on its consolidated results of operations, financial position or cash flows.

Results of Operations

For the year ended June 30, 2008 revenues were $171,000 representing an increase of $24,000, or 16%, over the preceding year. This increase was minimal and related primarily to the continued sale of water coolers and peripheral water cooler filters as the Company works down product in its inventory. Sales and marketing efforts related to the DC solar powered air conditioner began in late fiscal 2008 at the completion of the engineering and development effort on the product, which effort did not result in any material product sales during fiscal 2008.

Operating expenses for the year ended June 30, 2008 totaled $2,483,000 as compared to the $2,107,000 for the preceding year. This increase is primarily due to stock based compensation.

Net loss for the year ended June 30, 2008 was $4,284,000, an increase of $1,985,000 from the net loss incurred for the year ended June 30, 2007 of

$2,299,000. This increase in net loss of $1,795,000 was due almost entirely to the increase in interest expense of $1,601,000 related to the Company's financing which began in late fiscal 2007 of its 9% Convertible Promissory Notes.

For the year ended June 30, 2007 revenues were $147,000, approximately the same as the $203,000 in revenue for the preceding fiscal year. The minimal amount in revenue during fiscal 2007 was the result of the Company's decision to transition from the out-of-home advertising business and in January 2007 and concentrate on the engineering and development of its DC solar powered air conditioner related to the May 2007 acquisition of GPM, the patent holder and manufacturer of a solar powered air conditioner.

Operating expenses totaled $2,107,000 representing a decrease of $1,391,000, or 40%, from the preceding year. This decrease was due primarily to the full amortization in fiscal 2006 of the fair value of certain Warrants to purchase common stock issued in fiscal 2003 and 2004 in connection with marketing and consulting agreements related to the Company's out-of-home advertising and water cooler sale business. Due to the Company's decision to transition from this business the fair value of these Warrants were deemed fully impaired and the resulting charge of approximately $1,300,000 is included in stock based compensation expense in the June 30, 2006 consolidated statement of operations.

Net loss for the year ended June 30, 2007 was $2,299,000 representing a decrease of $3,373,000 from the preceding year. This decrease was due almost entirely to the Company's March 9, 2006 separation from its wholly owned subsidiary Aquacell Water, Inc. and the resulting loss on disposal of assets, loss from discontinued operations and loss from Form 10 spin-off recorded during the year ended June 30, 2006 of $684,000, $650,000 and $750,000, respectively.

QUARTERLY FINANCIAL INFORMATION (Unaudited)

The following tables contain the 2008 and 2007 unaudited consolidated balance sheets as of September 30, December 31 and March 31 and the consolidated statements of operations for the three month periods ended September 30, December 31, March 31 and June 30 of 2008 and 2007. Management believes that the following information reflects all normal recurring adjustments necessary for a fair presentation of the information for the periods presented.

Unaudited quarterly results are as follows:

GREENCORE TECHNOLOGY, INC. AND SUBSIDIARIES
Unaudited Quarterly Consolidated Balance Sheets-Fiscal 2008

(in thousands)	September 30, 2007 (Unaudited)	December 31, 2007 (Unaudited)	March 31 2008 (Unaudited
Assets			
Current assets:			
Cash	$ 858	$ 95	$

Accounts receivable, net of allowance	36	36	3
Inventories	48	54	5
Prepaid expenses and other current assets	54	55	5
Receivables from related parties, net	357	546	4
Total current assets	1,353	786	18
Property and equipment, net	26	24	2
Patents, net	1,083	1,067	1,05
Goodwill	750	750	75
Other assets	12	12	1
	$ 3,224	$ 2,639	$ 2,02
Liabilities and Stockholders' Deficit			
Current liabilities:			
Accounts payable and accrued liabilities	1,253	1,212	1,18
Accrued officer compensation	439	401	40
Convertible notes payable	4,100	4,898	4,89
Customer deposits	261	261	25
Preferred stock dividend payable - Class A	6	6	
Warranty reserve	157	157	15
Acquisition costs payable	750	750	75
Total current liabilities	6,966	7,685	7,65
Commitments and contingencies			
Stockholders' equity (deficiency):			
Preferred stock, par value $.001; 20,000,000 shares authorized; no shares issued and outstanding	-	-	
Common stock, par value $.001; 100,000,000 shares authorizied; 32,227,848, 32,345,975 and 33,134,690 shares issued and outstanding at September 30, 2007, December 31, 2007, and March 31,2008, respectively	32	32	3
Additional paid-in capital	27,087	27,180	27,37
Unearned deferred compensation	(740)	(627)	(51
Accumulated deficit	(30,121)	(31,631)	(32,51
Total stockholders' equity (deficit)	(3,742)	(5,046)	(5,63
	$ 3,224	$ 2,639	$ 2,02

GREENCORE TECHNOLOGY, INC. AND SUBSIDIARIES
Unaudited Quarterly Consolidated Balance Sheets-Fiscal 2007

(in thousands)	September 30, 2006 (Unaudited)	December 31, 2006 (Unaudited)	March 31 2007 (Unaudited

Assets			
Current assets:			
Cash	$ -	$ -	$
Accounts receivable, net of allowance	7	-	
Inventories	59	59	5
Receivables from related parties, net	170	163	
Total current assets	236	222	6
Property and equipment, net	12	10	
Other assets	12	12	1
	$ 260	$ 244	$ 8
Liabilities and Stockholders' Deficit			
Current liabilities:			
Accounts payable and accrued liabilities	1,496	1,648	87
Accrued officer compensation	360	360	43
Advances from related parties, net	-	-	
Preferred stock dividend payable - Class A	2	5	
Convertible notes payable	-	-	90
Customer deposits	8	3	19
Total current liabilities	1,866	2,016	2,36
Commitments and contingencies			
Stockholders' equity (deficiency):			
Preferred stock, par value $.001; 20,000,000 shares authorized; no shares issued and outstanding	-	-	
Common stock, par value $.001; 100,000,000 shares authorized; 27,909,408, 28,546,908 and 32,215,128 shares issued and outstanding at September 30, 2006, December 31, 2006, and March 31,2007, respectively	28	28	3
Additional paid-in capital	25,807	25,828	26,27
Unearned deferred compensation	-	-	(8
Accumulated deficit	(27,441)	(27,628)	(28,49
Total stockholders' equity (deficit)	(1,606)	(1,772)	(2,27
	$ 260	$ 244	$ 8

GREENCORE TECHNOLOGY, INC. AND SUBSIDIARIES
Unaudited Quarterly Consolidated Statements of Operations-Fiscal 2008

	Quarterly Period Ended		
	September 30, 2007	December 31, 2007	March 31, 2008

(in thousands, except per share amounts)	(Unaudited)	(Unaudited)	(Unaudited)	(
Sales	$ 60	$ 24	$ 35	$
Cost of sales	107	34	41	
Gross profit	(47)	(10)	(6)	
Operating expenses				
Salaries and wages	160	167	198	
Legal, accounting and other professional expenses	132	54	55	
Stock based compensation	-	-	-	
Depreciation and amortization	18	18	18	
Selling, general and administrative expenses	236	236	337	
Total operating expenses	546	475	608	
Operating income (loss)	(593)	(485)	(614)	
Other income (expense):				
Other income	-	-	-	
Interest expense, net	(108)	(1,025)	(274)	
Total other income (expense)	(108)	(1,025)	(274)	
Income (loss) before provision for income taxes	$ (701)	$ (1,510)	$ (888)	$
Provision for (benefit from) income taxes	-	-	-	
Net loss for the period	$ (701)	$ (1,510)	$ (888)	$
Net loss per common share	$ (0.02)	$ (0.04)	$ (0.02)	$
Weighted average common shares outstanding - basic and diluted	39,587,058	39,181,443	39,542,511	

16

GREENCORE TECHNOLOGY, INC. AND SUBSIDIARIES
Unaudited Quarterly Consolidated Statements of Operations-Fiscal 2007

	Quarterly Period Ended			
	September 30, 2006	December 31, 2006	March 31, 2007	
(in thousands, except per share amounts)	(Unaudited)	(Unaudited)	(Unaudited)	(
Sales	$ 68	$ 18	$ 24	$
Cost of sales	53	31	36	

Gross profit	(15)	(13)	(12)	
Operating expenses				
Salaries and wages	61	62	215	
Legal, accounting and other professional expenses	22	20	162	
Stock based compensation	129	9	-	
Depreciation and amortization	2	1	2	
Selling, general and administrative expenses	118	77	469	
Total operating expenses	332	169	848	
Operating income (loss)	(317)	(182)	(860)	
Other income (expense):				
Other income	-	-	-	
Interest expense, net	(3)	(5)	(6)	
Total other income (expense)	(3)	(5)	(6)	
Income (loss) before provision for income taxes	$ (320)	$ (187)	$ (866)	$
Provision for (benefit from) income taxes	-	-	-	
Net loss for the period	$ (320)	$ (187)	$ (866)	$
Net loss per common share	$ (0.01)	$ (0.01)	$ (0.03)	$
Weighted average common shares outstanding - basic and diluted	27,909,408	29,334,299	31,825,880	

Liquidity and Capital Resources

Year Ended June 30, 2008

GreenCore has developed a plan to address liquidity, in connection with its ability to continue as a going concern in several ways. It intends to raise capital through the sale or exercise of equity securities as needed for working capital. GreenCore presently has no agreement or understanding with any party to market, sell or purchase its equity securities. Any future equity offering undertaken will be predicated upon the price of the stock and cash flows generated from operations. GreenCore will strive to pursue the increase of its revenues through the sale of its DC solar powered air conditioner through its sales and marketing effort. It is our policy to require a 50% deposit on all custom product sales providing a significant cash flow as our revenues increase. It is not possible to quantify such amounts at this time.

Cash used by operations during the year ended June 30, 2008 amounted to $2,076,000. Net loss of $4,284,000 was reduced by non-cash deferred compensation interest amortization of $454,000, interest payments settled with stock issuances of $1,167,000, compensation expense of $383,000, expenses settled with common stock issuances of $100,000, and depreciation and amortization of $73,000.

Cash provided by financial activities was approximately $370,000, primarily from the sale convertible notes payable.

Management believes that its anticipated borrowings, equity raise and cash flows expected to be generated from future operations will be sufficient to meet presently anticipated needs for working capital and capital expenditures through at least the next 12 months; however, there can be no assurance in that regard. Water presently has no material commitments for future capital expenditures and internally generated cash flows expected from future operations.

Year Ended June 30, 2007

Cash used by operations during the year ended June 30, 2007 amounted to $1,983,000. Cash provided by financing activities was approximately $4,287,000, primarily from the sale of convertible promissory notes.

Management believes that its anticipated borrowings, equity raise and cash flows expected to be generated from future operations will be sufficient to meet presently anticipated needs for working capital and capital expenditures through at least the next 12 months; however, there can be no assurance in that regard. Water presently has no material commitments for future capital expenditures and internally generated cash flows expected from future operations.

Year Ended June 30, 2006

Cash used by operations during the year ended June 30, 2006 amounted to $1,893,000. Net loss of $5,672,000 was reduced by non cash loss on disposal of assets, depreciation and amortization, compensation expense, loss from spin-off of Aquacell Water totaling approximately $3,000,000.

Cash provided by financing activities was approximately $1,801,000, primarily from the sale of equity common stock.

Management believes that its anticipated borrowings, equity raise and cash flows expected to be generated from future operations will be sufficient to meet presently anticipated needs for working capital and capital expenditures through at least the next 12 months; however, there can be no assurance in that regard. Water presently has no material commitments for future capital expenditures and internally generated cash flows expected from future operations.

ITEM 7. FINANCIAL STATEMENTS

See Financial Statements beginning on page F-1.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On May 2, 2007 the Company received notification that the Company's former accountant Wolinetz, Lafazan & Company, P.C. resigned as of April 30, 2007. The audit report of the former accountant on the financial statements of the Registrant for the last fiscal year reported, June 30, 2005, did not contain an adverse opinion or disclaimer of opinion and was not qualified or modified as to uncertainty, audit scope or accounting principles, except that the former accountant's report on the registrant's financial statements expressed substantial doubt with respect to the Registrant's ability to continue as a going concern for the fiscal year ended June 30, 2005. The decision to resign was solely that of the former accountant into which the Board of Directors had no input.

There were no disagreements, whether or not resolved, with the former accountant on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which, if not resolved to the former accountant's satisfaction, would have caused it to make reference to the subject matter of the disagreement(s).

On May 8, 2007, KMJ Corbin & Company LLP ("KMJ") was engaged as the independent registered public accounting firm to audit the registrant's financial statements. During the Registrant's two most recent fiscal years and through May 8, 2007, neither the Registrant nor anyone on its behalf has consulted with KMJ regarding either (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on the Registrant's financial statements, and neither a written report was provided to the Registrant nor oral advice was provided by KMJ that was an important factor considered by the Registrant in reaching a decision as to any accounting, auditing or financial reporting issue; or (ii) any matter that was the subject of a disagreement, as that term is defined in Item 304 (a)(1)(iv) of Regulation S-K and the related instructions to Item 304 of Regulation S-K, or a reportable event, as that term is defined in Item 304 (a)(1)(v) of Regulation S-K.

On February 25, 2008, the audit committee of the Company's Board of Directors dismissed its former independent registered public accounting firm KMJ Corbin & Company LLP ("KMJ"). KMJ was retained by the Company in May 2007 and never issued any report on the Company's financial statements. There were no disagreements, whether or not resolved, with the former accountant on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which, if not resolved to KMJ's satisfaction, would have caused it to make reference to the subject matter of the disagreement(s).

As of February 25, 2008, PS Stephenson & Co. PC has been engaged as the principal accountant to audit the Company's financial statements. During the Registrant's two most recent fiscal years and through February 25, 2008, neither the Registrant nor anyone on its behalf has consulted with PS Stephenson & Co., PC regarding either (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on the Registrant's financial statements, and neither a written report was provided to the Registrant nor oral advice was provided by PS Stephenson & Co., PC that was an important factor considered by the Registrant in reaching a decision as to any accounting, auditing or financial reporting issue; or (ii) any matter that was the subject of a disagreement, as that term is defined in Item 304 (a)(1)(iv) of Regulation S-K and the related instructions to Item 304 of Regulation S-K, or a reportable event, as that term is defined in Item 304 (a)(1)(v) of Regulation S-K.

ITEM 8A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, with the participation of our Principal Executive Officer and our Principal Financial Officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the periods covered by this Annual Report (June 30, 2008, June 30, 2007 and June 30, 2006), as is defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended. Our disclosure controls and procedures are intended to ensure that the information we are required to disclose in the reports that we file or submit under the Securities Exchange Act of 1934 is (i) recorded, processed, summarized and reported within the time periods specified in the

Securities and Exchange Commission's rules and forms and (ii) accumulated and communicated to our management, including the Principal Executive Officer and Principal Financial Officer to allow timely decisions regarding required disclosures.

Based on that evaluation, our Principal Executive Officer and Principal Financial Officer concluded that, as of the end of the period covered by this Annual Report, our disclosure controls and procedures were ineffective. The failure to file annual reports for 2006 and 2007 and the failure to timely file this annual report for 2008 leads to the conclusion that the disclosure controls and procedures were not effective. As of the date of this report, the Company has added the further step of fully discussing with its outside advisors whether they are aware of any new SEC rules and regulations affecting our disclosure requirements and whether each report being filed is compliant with current rules and regulations. Our management has concluded that the financial statements included in this Form 10-KSB present fairly, in all material respects our financial position, results of operations and cash flows for the periods presented in conformity with generally accepted accounting principles.

It should be noted that any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system will be met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over our financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Our management, with the participation of our Principal Executive Officer and Principal Financial Officer, conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our Principal Executive Officer and Principal Financial Officer concluded that, as of the end of the period covered by this Annual Report, our internal control over financial reporting was effective.

This Annual Report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our independent registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit us to provide only management's report in this Annual Report.

Changes in Internal Control Over Financial Reporting

During our most recent fiscal quarter, there have been no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

ITEM 8B. OTHER INFORMATION

None.

21

PART III

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT.

Name	Age	Position	Director Since	Term Expires
James C. Witham	67	Chairman of the Board and Chief Executive Officer	1998	December 2009
Kevin Spence	52	President and Chief Financial Officer	N/A	N/A
Karen B. Laustsen	48	Chief Operating Officer, Secretary and Director	1998	December 2009
Dr. William DiTuro (1)	53	Director	1998	December 2009
Glenn A. Bergenfield (1)	55	Director	1998	December 2009
James Barton (1)	57	Director	2005	December 2009

(1) Member of Audit Committee and Compensation Committee

James C. Witham founded AquaCell Technologies/GreenCore Technology and has served as its Chairman and Chief Executive Officer since the Company's inception. Mr. Witham also serves as Chairman of the Board and Chief Executive Officer of Aquacell Water, Inc. From April, 1987 through May, 1996, Mr. Witham founded and served as Chairman, Chief Executive Officer and President of U.S. Alcohol Testing. Mr. Witham also served as Chairman and Chief Executive Officer of U.S. Alcohol's two publicly held subsidiaries, U.S. Drug Testing, Inc. and Good Ideas Enterprises, Inc. Mr. Witham is the husband of Karen B. Laustsen, Chief Operating Officer of GreenCore.

Kevin L. Spence was appointed President and Chief Financial Officer of AquaCell Technologies/GreenCore Technology effective January 2007. Mr. Spence also serves as President and Chief Financial Officer of Aquacell Water, Inc. From January, 2004 through January 2007 he served as President of Citation Publishing, Inc. a privately held company. From June, 2001 through June, 2003 Mr. Spence served as Chief Financial Officer of Swiftcomm, Inc. a privately held company. From 1992 to 2000 Mr. Spence was Executive Vice President and Chief Financial Officer of US Filter Corporation, a Fortune 500 global provider of water and wastewater treatment systems and services. Prior to his employment at US Filter, Mr. Spence was an audit partner at KPMG Peat Marwick.

Karen B. Laustsen was a founder of AquaCell Technologies/GreenCore Technology. She served as its President, Chief Operating Officer, Secretary, and as a Director until January 2007, and currently serves as its Chief Operating Officer, Secretary, and as a Director. Ms. Laustsen also served as President, Chief Operating Officer, Secretary and as a Director of Aquacell Water, Inc. until January 2007, and currently serves as Chief Operating Officer, Secretary, and as a Director. From April, 1987 through May, 1996, Ms. Laustsen served as Executive Vice President and a Director of U.S. Alcohol Testing of America, Inc. Ms. Laustsen also served on the Board of Directors of U.S. Drug Testing, Inc. and Good Ideas Enterprises, Inc. Ms. Laustsen is the wife of James C. Witham, Chairman of GreenCore.

William DiTuro has been a Director of AquaCell Technologies/GreenCore Technology since 1998. Dr. DiTuro was self-employed as a sole practitioner of general pediatrics from 1986 through 2005 and has served as a clinical instructor of pediatrics at the Robert Wood Johnson Medical School. Dr. DiTuro currently serves as a Director of Aquacell Water, Inc. Dr. DiTuro previously served as a Director of U.S. Alcohol, U.S. Drug Testing, Inc. and Good Ideas Enterprises, Inc.

Glenn A. Bergenfield has been a Director of AquaCell Technologies/GreenCore Technology since 1998. Since 1983, Mr. Bergenfield has been self-employed as a sole practitioner of law in the State of New Jersey. Mr. Bergenfield currently serves as a Director of Aquacell Water, Inc. Mr. Bergenfield previously served as a Director of U.S. Alcohol, and as a Director of U.S. Drug Testing, Inc. and Good Ideas Enterprises, Inc.

James Barton was appointed as a Director of AquaCell Technologies/GreenCore Technology in 2005. He is presently a Manager of Michigan Ornamental Metals, a privately held company. Mr. Barton currently serves as a Director of Aquacell Water, Inc.

Independence of Directors

The Board of Directors consults with counsel to ensure that the Board's determinations are consistent with those rules and relevant securities and other laws regarding director independence. Consistent with these considerations, the Board of Directors has affirmatively determined that Glenn Bergenfield, William DiTuro and James Barton will be independent directors for the ensuing year. The remaining directors are not independent because they are employed by the company. The independent directors constitute the audit, nominating and compensation committees.

Compensation Committee Interlocks and Insider Participation

The Company's independent directors act as the compensation committee of the Company.

Audit Committee and Audit Committee Financial Expert

The Company's audit committee was established in July 2005 and is currently comprised of Glenn Bergenfield, William DiTuro and James Barton.

Our Board has determined that it does not have a member of its Audit Committee that qualifies as an "audit committee financial expert" as defined in Item 401(e) of Regulation S-B, and is "independent" as the term is used in Item 7(d)(3)(iv) of Schedule 14A under the Exchange Act.

We believe that retaining an independent director who would qualify as an "audit committee financial expert" would be overly costly and burdensome and is not warranted in our current circumstances.

Code of Ethics

The Board adopted a Code of Ethics in 2004 that applies to, among other persons, Board members, officers including our Chief Executive Officer and Chief Financial Officer, contractors, consultants and advisors. Our Code of Ethics sets forth written standards designed to deter wrongdoing and to promote:

1) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

2) full, fair, accurate, timely and understandable disclosure in reports and documents that we file with or submit to the SEC and in other public communications made by us;

3) compliance with applicable governmental laws, rules and regulations;

4) the prompt internal reporting of violations of the Code of Ethics to an appropriate person or persons identified in the Code of Ethics; and

5) accountability for adherence to the Code of Ethics.

A copy of the Code of Ethics is filed as an exhibit to this report. A copy of this report may be obtained upon written request.

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Exchange Act requires our executive officers, directors and persons who beneficially own more than ten percent of the common stock to file reports of ownership and changes in ownership with the SEC, as well as providing us with copies of those reports. For the years ended June 30, 2006 and June 30, 2007 all such reports were timely filed. For the year ended June 30, 2008, each of the persons set forth in the table above failed to file one report on Form 4 related to an option grant in February, 2008. Each of those persons subsequently filed a corrective report on Form 5. As of the date of this filing, we believe that our executive officers and directors are current in their Section 16 filings.

ITEM 10. EXECUTIVE COMPENSATION

Mr. Witham and Ms. Laustsen entered into five year employments which expire in November, 2010. Mr. Spence entered into an employment agreement which expires in December 2011.

Name and Principal Position	Annual Compensation			Long-Term Compensation	
	Year	Salary ($) (1)(2)(3)	Bonus ($)(4)	Options Granted (5)(6)(7)	All Other Compensation
James C. Witham............	2008	144,766	17,553	200,000	--
Chairman of the Board	2007	132,500	--	200,000	--
and Chief Executive Officer	2006	133,018	--	200,000	--
Kevin L Spence.............	2008	165,000	17,553	200,000	--
President and	2007	82,500	--	500,000	--
Chief Financial Officer	2006	--	--	-	--
Karen B. Laustsen (8)......	2008	80,000	8,776	100,000	--
Chief Operating Officer,	2007	80,000	--	100,000	--
Secretary and Director	2006	80,313	--	100,000	--
Gary S. Wolff..............	2007	21,836	--	-	--
Former Treasurer,	2006	71,260	--	100,000	--
Chief Financial Officer					
and Director					

(1) For the fiscal year ended 2006 aggregate salaries accrued but not paid amounted to $100,537.
(2) For the fiscal year ended 2007 aggregate salaries accrued but not paid amounted to $128,086.
(3) For the fiscal year ended 2008 aggregate salaries accrued but not paid amounted to $47,304.
(4) For the fiscal year ended 2008 aggregate bonuses accrued but not paid amounted to $43,882.
(5) 400,000 option were issued in February 2006 and vest at the rate of 33% per year over a period of 10 years
(6) 800,000 options were issued in January 2007 and vest at the rate of 33% per year over period of 7-10 years.
(7) 500,000 options were issued in February 2008 and vest at the rate of 33% per year over a 7 year period.
(8) Ms. Laustsen is the wife of Aquacell's Chief Executive Officer.

The following table summarizes the number of options granted to the executive officers named above during the fiscal year ended June 30, 2006.

Options / SAR Grants in Last Fiscal Year
Individual Grants

Name	Options/Shares Granted (#)	% of Total Options/Shares Granted to Employees in Fiscal Year	Exercise Price ($/Share)	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation For Option Term ($)(1) 5% ($)	10% ($)
James C. Witham......... Chairman of the Board	200,000 (2)	34.2%	$0.21	$17,000	$40,000
Gary S. Wolff........... President/ Chief Financial Officer	100,000 (2)	17.1%	$0.21	$ 9,000	$20,000
Karen B. Laustsen....... Chief Operating Officer	100,000 (2)	17.1%	$0.20	$ 8,000	$19,000

(1) The above information concerning five percent and ten percent assumed annual rates of compounded stock price appreciation is mandated by the Securities and Exchange Commission. There is no assurance provided to any executive officer or to any other optionee that there will be appreciation of the stock price over the option term or that the optionee will realize any gains with respect to the options.
(2) Represents seven year options granted from the 2005 Incentive Stock Plan that vest 33.3% per year over a three year period.

The following table summarizes the number of options granted to the executive officers named above during the fiscal year ended June 30, 2007.

Options / SAR Grants in Last Fiscal Year
Individual Grants

Name	Options/Shares Granted (#)	% of Total Options/Shares Granted to Employees in Fiscal Year	Exercise Price ($/Share)	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation For Option Term ($)(1) 5% ($)	10% ($)

James C. Witham......... Chairman of the Board	200,000 (2)	22.9%	$0.10	$ 8,000	$19,000
Kevin L. Spence......... President/ Chief Financial Officer	500,000 (3)	57.1%	$0.09	$28,000	$72,000
Karen B. Laustsen....... Chief Operating Officer	100,000 (2)	11.4%	$0.10	$ 4,000	$ 9,000

(1) The above information concerning five percent and ten percent assumed annual rates of compounded stock price appreciation is mandated by the Securities and Exchange Commission. There is no assurance provided to any executive officer or to any other optionee that there will be appreciation of the stock price over the option term or that the optionee will realize any gains with respect to the options.
(2) Represents seven year options granted from the 2005 Incentive Stock Plan that vest 33.3% per year over a three year period.
(3) Represents ten year options granted from the 2005 Incentive Stock Plan that vest 33.3% per year over a three year period.

The following table summarizes the number of options granted to the executive officers named above during the fiscal year ended June 30, 2008.

Options / SAR Grants in Last Fiscal Year
Individual Grants

Name	Options/Shares Granted (#)	% of Total Options/Shares Granted to Employees in Fiscal Year	Exercise Price ($/Share)	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation For Option Term ($)(1) 5% ($)	10% ($)
James C. Witham......... Chairman of the Board	200,000 (2)	33.4%	$0.18	$15,000	$34,000
Kevin L. Spence......... President/ Chief Financial Officer	200,000 (2)	33.4%	$0.18	$15,000	$34,000
Karen B. Laustsen....... Chief Operating Officer	100,000 (2)	18.2%	$0.18	$ 8,000	$19,000

(1) The above information concerning five percent and ten percent assumed annual rates of compounded stock price appreciation is mandated by the Securities and Exchange Commission. There is no assurance provided to any executive officer or to any other optionee that there will be appreciation of the stock price over the option term or that the optionee will realize any gains with respect to the options.
(2) Represents seven year options granted from the 2005 Incentive Stock Plan that vest 33.3% per year over a three year period.

The following table summarizes the number of exercisable and unexercisable options held by the executive officers named above at June 30, 2006, and their value at that date if such options were in-the-money.

2006 Year End Option Values

Name	Number of securities underlying unexercised options at June 30, 2006		Value of securities underlying unexercised in-the-money options at June 30, 2006 (1)	
	Exercisable	Unexercisable	Exercisable	Unexercisable
James C. Witham.......	120,000	530,000	-0-	-0-
Karen B. Laustsen.....	60,000	265,000	-0-	-0-
Gary S. Wolff.........	60,000	530,000	-0-	-0-

(1) At June 30, 2006, the closing price of the stock was less than the price of the options.

The executive officers named above did not exercise any options during the fiscal year ended June 30, 2006.

26

The following table summarizes the number of exercisable and unexercisable options held by the executive officers named above at June 30, 2007, and their value at that date if such options were in-the-money.

2007 Year End Option Values

Name	Number of securities underlying unexercised options at June 30, 2007		Value of securities underlying unexercised in-the-money options at June 30, 2007	
	Exercisable	Unexercisable	Exercisable	Unexercisable
James C. Witham.......	260,000	590,000	$ 9,600	$ 38,400
Kevin L. Spence.......	-0-	500,000	-0-	$ 120,000
Karen B. Laustsen.....	130,000	295,000	$ 4,800	$ 19,200

The executive officers named above did not exercise any options during the fiscal year ended June 30, 2007.

The following table summarizes the number of exercisable and unexercisable options held by the executive officers named above at June 30, 2008, and their value at that date if such options were in-the-money.

2008 Year End Option Values

Name	Number of securities underlying unexercised options at June 30, 2008		Value of securities underlying unexercised in-the-money options at June 30, 2008	
	Exercisable	Unexercisable	Exercisable	Unexercisable
James C. Witham.......	466,667	583,333	$ 8,800	$ 25,200
Kevin L. Spence.......	166,667	533,333	$21,710	$ 51,290
Karen B. Laustsen.....	233,334	291,666	$ 4,400	$ 12,600

The executive officers named above did not exercise any options during the fiscal year ended June 30, 2008.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

June 30, 2006

Name and Address	Shares of Common Stock Beneficially Owned	Percentage of Common Stock, Warrants and Options
James C. Witham.................. 10410 Trademark Street Rancho Cucamonga, CA 91730	2,137,030 (1)(2)	7.62%
Karen B. Laustsen (9)............ 10410 Trademark Street Rancho Cucamonga, CA 91730	636,172 (3)	2.27%
Gary S. Wolff.................... 10410 Trademark Street Rancho Cucamonga, CA 91730	548,367 (3)	1.96%
Glenn A. Bergenfield............. 10410 Trademark Street Rancho Cucamonga, CA 91730	846,700 (4)(5)	2.99%
Dr. William DiTuro............... 10410 Trademark Street Rancho Cucamonga, CA 91730	618,291 (4)(6)	2.19%
James Barton..................... 10410 Trademark Street Rancho Cucamonga, CA 91730	145,000 (7)(8)	*
All officers and directors as		

a group (six persons)..........	4,931,560	17.67%
Henry Smith......................	2,103,536	7.54%

* Less than 1%.

(1) Includes an aggregate of 480,000 shares owned of record by Witham Group, LLC and JW Acquisitions, LLC which are entities in which Mr. Witham controls 100% of the outstanding equity.

(2) Includes 120,000 options exercisable within 60 days.

(3) Includes 60,000 options exercisable within 60 days.

(4) Includes 185,000 options exercisable within 60 days.

(5) Includes 266,667 warrants to purchase common stock exercisable within 60 days.

(6) Includes 163,334 warrants to purchase common stock exercisable within 60 days.

(7) Includes 65,000 options exercisable within 60 days.

(8) Includes 40,000 warrants to purchase common stock exercisable within 60 days.

(9) Ms. Laustsen is the wife of Aquacell's Chief Executive Officer, James Witham.

28

June 30, 2007

Name and Address	Shares of Common Stock Beneficially Owned	Percentage of Common Stock, Warrants and Options
James C. Witham.................. 10410 Trademark Street Rancho Cucamonga, CA 91730	2,267,030 (1)(2)	6.98%
Karen B. Laustsen (9)............ 10410 Trademark Street Rancho Cucamonga, CA 91730	734,505 (3)	2.27%
Kevin Spence..................... 10410 Trademark Street Rancho Cucamonga, CA 91730	1,000,000 (4)	3.10%
Glenn A. Bergenfield............. 10410 Trademark Street Rancho Cucamonga, CA 91730	866,700 (5)(6)	2.65%
Dr. William DiTuro............... 10410 Trademark Street Rancho Cucamonga, CA 91730	638,291 (5)(7)	1.96%
James Barton..................... 10410 Trademark Street Rancho Cucamonga, CA 91730	165,000 (8)	*
Henry Smith......................	2,103,536	6.53%
All officers and directors as a group (six persons)..........	5,671,526	17.12%

* Less than 1%.
(1) Includes an aggregate of 480,000 shares owned of record by Witham Group, LLC and JW Acquisitions, LLC which are entities in which Mr. Witham controls 100% of the outstanding equity.
(2) Includes 250,000 options exercisable within 60 days.
(3) Includes 158,333 options exercisable within 60 days.
(4) Includes 205,000 options exercisable within 60 days.
(5) Includes 266,667 warrants to purchase common stock exercisable within 60 days.
(6) Includes 163,334 warrants to purchase common stock exercisable within 60 days.
(7) Includes 85,000 options exercisable within 60 days.
(8) Includes 40,000 warrants to purchase common stock exercisable within 60 days.
(9) Ms. Laustsen is the wife of Aquacell's Chief Executive Officer, James Witham.

29

June 30, 2008

Name and Address	Shares of Common Stock Beneficially Owned	Percentage of Common Stock, Warrants and Options
James C. Witham.................. 10410 Trademark Street Rancho Cucamonga, CA 91730	2,463,697 (1)(2)	7.04%
Karen B. Laustsen (9)............ 10410 Trademark Street Rancho Cucamonga, CA 91730	832,838 (3)	2.39%
Kevin Spence..................... 10410 Trademark Street Rancho Cucamonga, CA 91730	1,166,667 (4)	3.36%
Glenn A. Bergenfield............. 10410 Trademark Street Rancho Cucamonga, CA 91730	941,700 (5)(6)	2.68%
Dr. William DiTuro............... 10410 Trademark Street Rancho Cucamonga, CA 91730	638,291 (5)(7)	1.83%
James Barton..................... 10410 Trademark Street Rancho Cucamonga, CA 91730	165,000 (8)	*
Henry Smith......................	2,103,536	6.09%
All officers and directors as a group (six persons)..........	6,208,191	17.04%

* Less than 1%.
(1) Includes an aggregate of 480,000 shares owned of record by Witham Group, LLC and JW Acquisitions, LLC which are entities in which Mr. Witham controls 100% of the outstanding equity.

(2) Includes 446,667 options exercisable within 60 days.
(3) Includes 256,666 options exercisable within 60 days.
(4) Includes 166,667 options exercisable within 60 days.
(5) Includes 205,000 options exercisable within 60 days.
(6) Includes 316,667 warrants to purchase common stock exercisable within 60 days.
(7) Includes 163,334 warrants to purchase common stock exercisable within 60 days.
(8) Includes 85,000 options exercisable within 60 days.
(9) Ms. Laustsen is the wife of Aquacell's Chief Executive Officer, James Witham.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None.

ITEM 13. EXHIBITS

See Exhibit Index.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

For the fiscal year ended June 30, 2006, there were no fees billed for professional services rendered for the audit of the Company's annual financial statements and the reviews of its financial statements included in the Company's quarterly reports. For our fiscal year ended June 30, 2005, those fees were approximately $60,000.

For the fiscal year ended June 30, 2007, there were no fees billed for professional services rendered for the audit of the Company's annual financial statements and the reviews of its financial statements included in the Company's quarterly reports. For our fiscal year ended June 30, 2006, there were no fees billed.

For the fiscal year ended June 30, 2008, the aggregate fees billed for professional services rendered for the audit of the Company's annual financial statements and the reviews of its financial statements included in the Company's quarterly reports totaled approximately $71,000. For our fiscal year ended June 30, 2007, there were no fees billed.

Tax Fees

For the fiscal years ended June 30, 2006 and June 2005, there were no fees billed for tax compliance, tax advice or tax planning.

For the fiscal years ended June 30, 2007 and June 2006, there were no fees billed for tax compliance, tax advice or tax planning.

For the fiscal year ended June 30, 2008, there was $2200 in fees billed for tax compliance, tax advice or tax planning and for the fiscal year ended June 2007, there were no fees billed for tax compliance, tax advice or tax planning.

All Other Fees

For the fiscal years ended June 30, 2006, June 30, 2007 and June 30, 2008, there were no other fees billed by the Company's independent auditors.

SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: November 3, 2008

GREENCORE TECHNOLOGY, INC.
(Registrant)

By: /s/ JAMES C. WITHAM

Name: James C. Witham
Title: Chief Executive Officer

In accordance with the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signatures	Title	Date
/s/ James C. Witham ---------------------- James C. Witham	Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer)	November 3, 2008
/s/ Kevin L. Spence ---------------------- Kevin L. Spence	President and Chief Financial Officer (and Principal Accounting Officer)	November 3, 2008
/s/ Karen Laustsen ---------------------- Karen Laustsen	Director and Chief Operating Officer	November 3, 2008
/s/ Glenn Bergenfield ---------------------- Glenn Bergenfield	Director	November 3, 2008
/s/ Dr. William DiTuro ---------------------- Dr. William DiTuro	Director	November 3, 2008
/s/ James Barton ---------------------- James Barton	Director	November 3, 2008

EXHIBIT INDEX

3.1 Certificate of Amendment filed with Delaware Secretary of State on June 30, 2008

3.2 Certificate of Correction filed with Delaware Secretary of State on September 22, 2008

10.1 Employment Contract with Kevin Spence

14.0 Code of Ethics

31.1 Chief Executive Officer's Certification Pursuant to Rule 13A-14 and 15D-14 Under the Securities Exchange Act of 1934, As Amended

31.2 Chief Financial Officer's Certification Pursuant to Rule 13A-14 and 15D-14 Under the Securities Exchange Act of 1934, As Amended

32.1 Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

99.1 GPM, Inc. Financial Statements

GREENCORE TECHNOLOGY, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To The Board of Directors of
GreenCore Technology, Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheets of GreenCore Technology, Inc. (formerly known as Aquacell Technologies, Inc.) and Subsidiaries as of June 30, 2008, 2007 and 2006, and the related consolidated statements of operations, stockholders' deficit, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards as established by the U.S. Auditing Standards Board and in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the 2008, 2007 and 2006 consolidated financial statements referred to above present fairly, in all material respects, the financial position of GreenCore Technology, Inc. and Subsidiaries as of June 30, 2008, 2007 and 2006, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has suffered recurring losses from operations that raise substantial doubt about its ability to continue as a going concern. Management's plans regarding these matters are described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ PS Stephenson & Co. PC

Wharton, Texas
November 3, 2008

GREENCORE TECHNOLOGY, INC. AND SUBSIDIARIES
Consolidated Balance Sheets

	June 30,		
(in thousands, except share amounts)	2008	2007	2006
Assets			
Current assets:			
Cash	$ 100	$ 1,806	$ -
Accounts receivable, net of allowance	11	19	7
Inventories	24	39	59
Prepaid expenses and other current assets	19	54	-
Receivables from related parties, net	-	-	247
Total current assets	154	1,918	313
Property and equipment, net	19	27	13
Patents, net of accumulated amortization of $65 and $0, respectively	1,034	1,099	-
Goodwill	750	750	-
Other assets	12	12	10
	$ 1,969	$ 3,806	$ 336
Liabilities and Stockholders' Deficit			
Current liabilities:			
Accounts payable and accrued liabilities	$ 1,084	$ 1,123	$ 1,387
Accrued officer compensation	508	456	360
Advances from related parties, net	74	60	-
Convertible notes payable	5,260	4,100	-
Accrued interest payable	-	43	-
Customer deposits	251	262	2
Preferred stock dividend payable-Class A	4	6	2
Warranty reserves	157	157	-
Acquisition costs payable	750	750	-
Total current liabilities	8,088	6,957	1,751
Commitments and contingencies			
Stockholders' equity (deficit):			
Preferred stock-Class A, par value $.001; 5,000,000 shares authorized; 70,000 shares issued and outstanding	-	-	-
Preferred stock-Class B, par value $.001; 5,000,000 shares authorized; no shares issued and outstanding	-	-	-
Common stock, par value $.001; 75,000,000 shares authorized; 34,557,888, 32,215,128 and 27,909,408 shares issued and outstanding at June 30, 2008, 2007, and 2006, respectively	34	32	28

Additional paid-in capital	27,981	27,090	25,678
Unamortized deferred compensation	(430)	(853)	-
Accumulated deficit	(33,704)	(29,420)	(27,121)
Total stockholders' equity (deficit)	(6,119)	(3,151)	(1,415)
	$ 1,969	$ 3,806	$ 336

The accompanying notes are an integral part of these financial statements.

GREENCORE TECHNOLOGY, INC. AND SUBSIDIARIES
Consolidated Statements of Operations

	Years Ended June 30,		
(in thousands, except share amounts)	2008	2007	2006
Sales	$ 171	$ 147	$ 203
Cost of sales	266	234	252
Gross profit (loss)	(95)	(87)	(49)
Operating expenses			
Salaries and wages	763	653	573
Legal, accounting and other professional expenses	316	495	454
Stock based compensation	383	138	1,396
Depreciation and amortization	73	6	173
Selling, general and administrative expenses	948	815	902
Total operating expenses	2,483	2,107	3,498
Operating income (loss)	(2,578)	(2,194)	(3,547)
Other income (expense):			
Loss on disposal of assets	-	-	(684)
Other income	-	-	-
Interest income	12	12	-
Interest expense	(1,718)	(117)	(41)
Total other income (expense)	(1,706)	(105)	(725)
Loss from continuing operations before provision for income taxes	(4,284)	(2,299)	(4,272)
Provision for (benefit from) income taxes	-	-	-
Loss from continuing operations	(4,284)	(2,299)	(4,272)
Discontinued operations			
Loss from discontinued operations of Aquacell Water	-	-	(650)
Loss from Form 10 spin-off of Aquacell Water	-	-	(750)

Total discontinued operations	-	-	(1,400)
Net loss	$ (4,284)	$ (2,299)	$ (5,672)
Net loss per common share	$ (0.11)	$ (0.07)	$ (0.23)
Weighted average common shares outstanding - basic and diluted	39,724,038	31,070,410	24,195,459

The accompanying notes are an integral part of these financial statements.

F-3

GREENCORE TECHNOLOGY, INC. AND SUBSIDIARIES
Consolidated Statement of Stockholders' Equity (Deficiency)
Year Ended June 30, 2006

	Preferred Stock						
	Class A		Class B		Common Stock		
(in thousands, except per share amounts)	Number of Shares	Par Value	Number of Shares	Par Value	Number of Shares	Par Value	Additional Paid-in Capital
Balances, June 30, 2005	70,000	$ -	718,000	$ 1	18,880,465	$ 19	$ 22,566
Sale of 200,000 shares of Class B preferred stock			200,000	-			68
Dividends of Class A preferred stock							(4)
Dividends on Class B preferred stock							(16)
Issuance of common shares upon exercise of common stock warrants, net					5,278,282	5	1,197
Sale of common shares in connection with private placements, net					2,820,833	3	649
Issuance of 918,000 shares of common stock on conversion of 918,000 shares of Class B preferred stock			(918,000)	(1)	918,000	1	
Issuance of 11,828 common shares as payment of = dividends on Class A preferred stock					11,828	-	4

Compensation expense in connection with stock options issued							168
Legal fees incurred with registration statement							(8)
Issuance of common stock warrants							4