

Company number: 2394165

Charity number: 801819

Pecan

(A Charity Company Limited by Guarantee)

Audited Financial Statements

and

Trustees' Report

for the year ended 31 March 2009

Pecan

(A Charity Company Limited by Guarantee)

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Charity Information for the year ended 31 March 2009

Pecan is a company limited by guarantee and a registered charity governed by its memorandum and articles of association. The directors of the charity are its trustees for the purposes of charity law and throughout this report are collectively referred to as the trustees.

Charity name:	Pecan	
Other operating names:	Morph, Workout	
Company registration number:	2394165 England & Wales	
Charity registration number:	801819	
Registered office and operating address:	121A Peckham High Street Peckham London SE15 5SE	
Trustees who held office during the year:	Wole Adeloje Philip Osei-Hwere Peter Stunell Anne Wilde John Willis Lynne Angela Moses Adermi Okeshola Olufemi Adesanya	- Appointed 10 February 2009 - Appointed 10 February 2009 - Appointed 10 February 2009
Chair:	Wole Adeloje	
Vice chair:	Peter Stunell	
Secretary:	Mark Trigg	
Senior management team:	CEO: Ben Stansfield Deputy Director: Steve Rawlins Finance Officer: Phil Baldwin	
Independent Auditors	Armstrong & Co Chartered Accountants & Registered Auditors 4a Printing House Yard Hackney Road London E2 7PR	
Solicitors:	Grant Saw 110-114 Norman Road Greenwich London SE10 9EH	
Bankers:	Barclays Bank plc United Kingdom House 180 Oxford Street London BX3 2BB Triodos Bank NV Brunel House 11 The Promenade Bristol BS8 3NN	

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(A Charity Company Limited by Guarantee)

Trustees' Report, incorporating the Directors' Report for the year ended 31 March 2009

The Trustees of Pecan present their report together with the financial statements for the year ended 31 March 2009.

Principal activity

The principal activity of the charity in the year under review was that of the provision of training and assistance to unemployed persons and people from disadvantaged communities.

Trustees

The Trustees of the charity who held office during the year are disclosed on page 3.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Pecan is a company limited by guarantee, incorporated on 12 June 1989 and registered as a charity on 21 July 1989. 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 each.

Recruitment and Appointment of Members and Trustees

1. Members

The membership of the company is drawn from supporter churches. Members agree to the Churches Together basis of faith, and pay an annual subscription.

Member churches are the members of the company and act as guarantors to the liability of £1 each.

A majority of members present at an Annual General Meeting (AGM) and voting in favour of a nomination will enable the person nominated to become a member immediately after the voting procedure has been completed. The participating churches may be altered by a unanimous vote of all members of the Company present at the AGM.

2. The Board of Directors

The Directors of the company are also Charity Trustees.

The board meet quarterly and in a number of sub-committees and set policy and direction for the charity, and oversight for the work of the senior management team.

All the directors are Christians and church members of good standing, they help Pecan to maintain its Christian ethos and are not remunerated.

The Board of Directors ('The Board') are made up of members who have experience and expertise in areas of work relating to Pecan's work as a training body for the marginalised and unemployed. The Board may appoint any member of the Company or any other suitable person, either as a replacement or as an addition to the board. Appointment of the Secretary is also the Board's function.

New trustees are recruited by advertising through newsletters to our member and supporter network. The skills and mix of current trustees are regularly analysed and we try to recruit trustees with complimentary skills and backgrounds.

The Board may delegate their powers to sub-committees consisting of members of the Board of Directors who have expertise in that particular area of management. All proceedings and decisions of the sub-committee are reported back to the Boards next meeting.

New trustees participate in a full induction programme upon appointment.

3. Senior Management Team

The day to day management of the charity is the responsibility of the senior management team. The team comprises members of staff appointed by the board of directors.

Operational Structure

All programs of work are managed by project managers. The Senior Management Team provide support and oversight of projects, and ensure that standards are maintained across the organisation. The senior management team also take the lead on applying for new contracts and the strategic planning and monitoring of the organisation.

Pecan and other charities/organisations:

In order to achieve Pecan's objects, the charity works in partnership with many local, national and international organisations and government agencies whilst retaining a prime focus on the London region.

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Trustees' Report, incorporating the Directors' Report for the year ended 31 March 2009

Risk Assessment

The charity maintains and actively monitors its risk register. The register is presented to the board at each meeting by the Executive Director, significant risks are identified and actions agreed and monitored at subsequent meetings.

A Health and Safety update is also presented to the Board at each meeting, along with any updates to related procedures and policies.

OBJECTIVES AND ACTIVITIES

Pecan's Charitable Objects

Pecan is governed by its Memorandum and Articles of Association. These state Pecan's objectives are:

- To advance the Christian religion.
- The relief of unemployment for the benefit of the public in such ways as may be thought fit, including providing training and other assistance to help people find employment.
- The relief of poverty in particular among unemployed people.
- To preserve and protect the physical environment for the benefit of the public by the promotion of waste reduction, re-use, reclamation and recycling and the use of recycled products.

Policies to further our Objects

Pecan is a Christian organisation with the vision to see the lives of those we work with transformed, many of whom face seemingly insurmountable barriers to realise their dreams. Working with vulnerable groups such as ex-offenders, their families, refugees and asylum seekers, young people and the long term unemployed, we seek to enable each individual to achieve their full potential and through that to see the community around us transformed.

All our projects seek to address the multiple needs of our participants and work towards their social inclusion, through the development of holistic projects. We work in partnership with the local church supporting initiatives to meet the needs of the community, as well as seeking to be an advocate for those we work with by challenging inequality & injustice on a local and national level.

Over the last 20 years, we have shown ourselves to be successful in reaching many hard to reach groups within the communities we seek to serve and deliver skills training and services to those in need. In addition, as a Christian organisation we are committed to outworking our core values through our relationships with all those with whom we interact. Our organisational values are:

Excellence

We are committed to pursuing excellence in all we do, by providing the highest quality of service to best support our participants, staff and the community.

Empowering

We are committed to seeing the individuals and communities we work with empowered to make their own choices and affect their own situation.

Equality & Diversity

We are committed to celebrating diversity and ensuring equal access to our services for all participants regardless of race, colour, nationality, ethnic origin, religion, gender, sexual orientation, age or disability.

Prayer

We are committed to prayer as a key foundation on which all our work is established and as an integral part of our life together.

Pioneering

We are committed to pioneering projects that find new ways to address the needs of our participants and work towards their social inclusion.

Accountability

We are committed to transparency, participation and learning across all areas of our work both internally and externally.

Advocacy

We are committed to using our voice and standing alongside our participants and the local community to influence issues impacting them.

Collaboration

We are committed to achieving our vision through partnership with the local community, churches and other groups and organisations.

Sustainability

We are committed to protecting the environment, health promotion and encouraging ethical lifestyles through initiatives such as Fairtrade.

Commitment

We are committed to outworking our vision and values over the long-term.

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Trustees' Report, incorporating the Directors' Report for the year ended 31 March 2009

Objects for the year

Our strategic objectives are:

- 1) To address the multiple needs of our participants and work towards their social inclusion, through the development of holistic projects.
- 2) To work with and support the local church in meeting the practical needs of the community.
- 3) To challenge inequality & injustice on a local and national level, with and for our community.

In the year under review Pecan was delivering 15 different projects working to provide advice, training and support into employment for our clients. The projects focused around working with our target groups – ex-offenders & their families, refugees & asylum seekers, young people (Not in Education, Employment or Training), and the long-term unemployed. The object for the year was to establish these contracts well under the new management structure to enable them to perform well during the contract lifetimes and to develop that work to enable Pecan to secure further funding to carry our work forward.

Our object remains to serve as many people as we can by delivering high quality programs and seeing lives transformed. The table shown below sets out the numbers of people helped during the year under review.

Performance	2008/09
Skills for life (ESOL)	92
Southwark Works	276
Pre volunteering Programme (Personal Best)	141
Brandon	0
Clays Lane	0
Ex-offenders and their families	151
PEEP (young people)	163
MORPH (create)	121
TOTAL (IAG and training)	944
In addition	
Child safety	441
Morph furniture	335
TOTAL PEOPLE HELPED	1720

Strategies for achieving our objects

Pecan seeks to work in partnership with local authorities, national government agencies (such as the Job Centre Plus, London Development Agency and the Learning and Skills Council), local colleges, and other like minded voluntary sector providers to deliver skills and training to those needing services at the place they are needed.

Support is sought from corporate sponsors, charitable trusts and other supporter groups to enhance this provision.

In seeking to meet local communities where they are we also develop partnerships with local churches and other organisations to be able to provide services as locally as possible to the clients we are serving. This is becoming an increasing amount of our work.

Who uses our services

Pecan currently works alongside: Young people, refugees, asylum seekers, the long term unemployed with health issues, ex-offenders and their families. All services and support is offered to our clients free of charge. Eligibility criteria for clients to come onto our programmes is dictated by our funders and varies between contracts, as most services are targeted to meet the needs of specific disadvantaged groups. The majority of our programmes currently have a focus on supporting people within the London boroughs of Southwark and Lambeth, although some projects can take people for across London. As one of the main focuses of our work is supporting people into employment, the majority of our programmes are targeting people who are currently unemployed.

Pecan was formed as an expression of the work of the church. Therefore we consider it vital that we treat every client, employee, volunteer and stakeholder in a way which reflects the value they have in God's sight. Pecan recognises that disadvantage and discrimination exist in society and is committed to striving to eliminate these inequalities. Pecan aims to be fair, reasonable and just in all its responsibilities.

Pecan is committed to ensure that no person or group of persons being recruited for or attending a Pecan course will be treated less favourably than any other person or group of persons because of their race, colour, ethnic or national origins, or because of their religion or belief, gender, sexual orientation, gender re-assignment, disability, appearance, age or marital status.

We consider that unemployed people are excluded from full participation in society. Pecan is committed to action that counteracts this exclusion. In particular, Pecan encourages and trains clients to gain control over their own lives. We aim to treat all clients, users of our services, students, employees, volunteers, job applicants, suppliers and other stakeholders fairly and we will not unlawfully discriminate on the grounds of their race, colour, nationality, ethnic or national origin, religion or belief, gender, gender re-assignment, sexual orientation, marital status, age or disability. We intend to ensure requirements or conditions do not unfairly or unjustifiably limit access to services, jobs, or volunteering opportunities. Pecan will actively challenge unlawful discrimination in all forms.

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Trustees' Report, incorporating the Directors' Report for the year ended 31 March 2009

Details of main programmes

Our different programmes are focused in the following areas:

Working with Young people

At the end of 2007 189,500 (9.4 percent) 16- to 18-year-olds were classed as 'NEET' (not in education employment or training). Pecan is committed to giving them a second chance where other people have written many of them off. Each young person gets dedicated one-to-one support to help them figure out what they are struggling with and support in making and achieving personal goals. We offer a range of courses and qualifications which they can work towards which for many will be their first, having left school without any.

Working with Refugees & Asylum Seekers

Refugees make up to 5% of London's population. Most have good skills, qualifications and work experience. Yet they are twice as likely to be unemployed than any other minority ethnic group, due to their under-developed English language skills. To help address this issue Pecan runs general English courses, alongside providing support in integration and gaining meaningful employment. Projects work across Southwark, Lambeth, Bromley and Bexley boroughs.

Working with Ex-offenders and their families

Re-offending costs the government £11 billion per year. Securing gainful employment can reduce the chances of re-offending by 50%. We work with offenders, those at risk of offending and their families; providing holistic information, advice and guidance support in the areas of employment, accommodation, court hearings, counselling, debt and drug and alcohol related issues.

Working with long term unemployed

Around 51,000 people are classed as economically inactive and more than 13,000 residents are claiming Incapacity Benefit in Southwark. Our 8 week course offers people the chance to learn skills to help them find work, boost their self confidence and make new friends. Clients spend 2 weeks on a volunteering placement of their choice in the local community. Pecan is also involved in a unique, borough-wide service supporting some of the most disadvantaged people, by identifying, and solving problems which face job seekers and local employers. Our remit is to advise people who have health issues, often signposting them on to other agencies that can help them.

Vocational training Centre

For the more practically minded we run a carpentry course, the Construction Skills Certification Scheme qualification, alongside Literacy and Numeracy qualifications. Assistance is also given in creating a CV, interview techniques, and finding employment, work placements, or further training.

Furniture Recycling & Reuse

"Morph" – our project assisting local authorities and householders to allow us to take away unwanted pieces of furniture and make them available to people in need through our Morph re-use outlets. This project enabled us to provide work placement and training opportunities for our clients. This is a key feature of the project. Funding for this project comes from sales of goods, grants from local authorities, and monies from local colleges and others towards the training programmes run. We had been increasing the scale of this operation but the results of funding applications and insufficient sales meant that the decision had to be made to close down this operation. Morph Camberwell, the last remaining component of the project was shut down as a furniture operation in June 2008.

Volunteering

Volunteers continue to be an essential component of our work as a charity and our clients are able to benefit directly from the additional support and wider expertise they can offer. Volunteers are involved in a wide range of our work, both in terms of frontline contact with clients, acting as mentors for our ex-offenders and refugees and as classroom assistants supporting clients in their learning they also support us in helping with backroom office tasks. Several key volunteers have also taken on the role of covering our reception and have therefore been the first point of contact for anyone contacting Pecan.

There were 62 volunteers working with the charity during the year in the following main categories:

Ex-offenders	21
Morph	10
Young people	0
ESOL in churches	13
Personal best	3
Central	15

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Trustees' Report, incorporating the Directors' Report for the year ended 31 March 2009

Achievement and performance

The numbers of clients benefiting from our programmes can be seen below, in comparison to the previous financial year.

Performance

	2007/08	2008/09
Skills for Life (ESOL & Literacy & IT for 50+)	479	92
Southwark Works (IB claimants)	144	276
Pre Volunteering Programme (personal best programme)	66	141
Clays lane resettlement project	96	0
Ex-offenders & their families	313	151
PEEP (young people)	63	163
CREATE (carpentry training)	54	121
TOTAL - Training and IAG	1215	944
In addition Morph had the following impact		
Child Safety audits	1059	441
Families helped with furniture	805	335
TOTAL - People helped	3079	1720

Fundraising performance

Due to funding cycles of the majority of our main statutory funding bodies there were limited opportunities to submit bids early in the year. Towards the end of the year there were a limited number of opportunities to bid for European Social Fund money and our external bid writer was used to submit these tenders, with a particular focus on finding ongoing funding for our work with ex-offenders - so far these have been unsuccessful.

We were however awarded a grant from the Sainsbury's Monument Trust for £20,000 a year for the next three years, towards developing our central management structures to enable us to pursue this work more effectively in the future.

Investment performance

Pecan invests reserve bank balances on deposit with a charity investment specialist. Interest earned is shown in the accounts.

FINANCIAL REVIEW

Results for the year

The results of the period and financial position of the charity are shown in the annexed financial statements.

The Statement of Financial Activities shows net outgoing resources for the year of £306,463 and reserves of £1,503,503.

Tangible fixed assets for use by the charity.

Fixed assets are set out in Note 14 to the accounts.

Reserves Policy

The trustees consider that a policy of holding a minimum of 3 months income as a general reserve is appropriate for the charity. At the end of the financial year we had 20 months reserves.

Principal funding sources and how expenditure supports the charity's key objectives

Principal funding sources have been outlined above. With the exception of a small amount of general donations all income is attributed directly to the projects to which it relates, and costs are similarly designated.

We seek to operate a full cost recovery calculation to enable general overheads to be met from the projects we operate.

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Trustees' Report, incorporating the Directors' Report for the year ended 31 March 2009

Plans for future periods

Under the wider attention of the strategic objectives identified above we have two specific focuses that we intend to underpin our planning and activity over the coming year:

- a) **To Empower the Church** – the broadening of our vision to become more holistic requires and confirms that we cannot achieve this on our own. We believe this vision is only possible with the partnership of the local church and other organisations. As a result, we need to invest effort in resourcing and supporting others in the community to expand the effectiveness of our work in our community and the surrounding areas.
- b) **To Encourage Excellence** – a highly competitive sector increasingly requires organisations to demonstrate the value they add to any contract. Delivering what we say we will do and within a high quality framework will also help ensure continued funding.

We have the additional plans to:

- Consolidate the organisations resources into a smaller, solid organisation working with people further from employment.
- Get to a monthly balanced budget by the end of the year.
- Consolidate our ESOL work with refugees & asylum seekers, involving local faith based groups in their support.
- Consolidate our support work with Young people Not in Employment Education and Training.
- To encourage churches to a greater participation in the provision of community services, by training and the provision of professional support services.
- Find new funding opportunities to expand our work with ex-offenders.

Independent Auditors

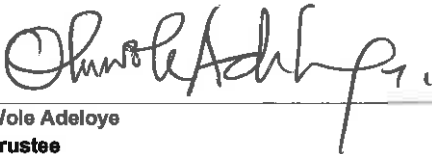
The auditors, Armstrong & Co, have indicated their willingness to be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Although not required, the trustees have determined that the charitable company be audited under the Companies Act 1985 for the year ended 31st March 2009 and the Companies Act 2006 for future years. The charitable company is required to be audited under charities legislation for the year ended 31st March 2009.

The trustees acknowledge and confirm their responsibilities for preparing the financial statements and providing appropriate information to the auditors as detailed in the Statement of Trustees' Responsibilities set out on page 10.

The financial statements were approved by the Board of Trustees on 15 January 2010 and signed on its behalf by:



Wole Adeloye
Trustee

Pecan

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Statement of Trustees' Responsibilities for the year ended 31 March 2009

Statement of trustees' responsibilities

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Charity law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The trustees are required by law to prepare financial statements for each financial period which give a true and fair view of the financial activities of the charity and of its financial position at the end of that period. In preparing those financial statements the trustees are required to:

- a) Select suitable accounting policies and apply them consistently;
- b) Make judgements and estimates that are reasonable and prudent;
- c) Follow applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the accounts;
- d) Prepare the financial statements on the going concern basis unless it is inappropriate to assume 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 charity and enable them to ensure that the financial statements comply with the Companies Act 1985 and charity legislation. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

So far as the trustees are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the charity's auditors are unaware, and each trustee has taken all the steps that he or she ought to have taken as a trustee in order to make himself or herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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Independent Auditors' Report to the Members of Pecan

We have audited the financial statements of Pecan for the year ended 31 March 2009 on pages 12 to 21 which have been prepared in accordance with the accounting policies set out on pages 14 - 15 and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described on page 10 the charity's trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of their Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions with the charity is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

We are not required to consider whether any statements in the Trustees' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards, including APB Ethical Standard *Provisions Available for Small Entities*, in the circumstances set out in note 3 to the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charitable company's affairs as at 31 March 2009 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.


Armstrong & Co
Chartered Accountants & Registered Auditors

4a Printing House Yard
Hackney Road
London E2 7PR

15 January 2010

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Statement of Financial Activities

incorporating the income and expenditure account
for the year ended 31 March 2009

		2009			2008	
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	
Notes	£	£	£	£	£	
Incoming resources						
Voluntary income	4	60,654	-	-	60,654	101,301
Activities for generating funds	5	28,230	-	-	28,230	171,009
Investment income	6	14,214	-	-	14,214	33,280
Incoming resources from charitable activities	7	623,307	513,614	-	1,136,921	1,709,599
Other incoming resources	8	41,418	3,612	-	45,030	11,314
Total incoming resources		767,823	517,226	-	1,285,049	2,026,503
Resources expended						
Charitable activities	9	1,053,462	508,232	-	1,561,694	2,622,041
Governance costs	11	25,361	-	-	25,361	18,156
Endowment expenses	12	-	-	4,457	4,457	4,457
Total resources expended		1,078,823	508,232	4,457	1,591,512	2,644,654
Net income/(expenditure) for the year		(311,000)	8,994	(4,457)	(306,463)	(618,151)
Total funds brought forward		1,618,652	(5,913)	197,227	1,809,966	2,428,117
Total funds carried forward		1,307,652	3,081	192,770	1,503,503	1,809,966

The statement of financial activities incorporates an income and expenditure account.

The accompanying accounting policies and notes form an integral part of these financial statements.

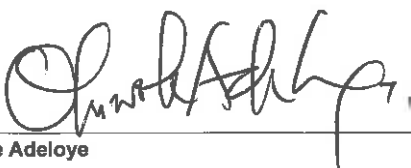
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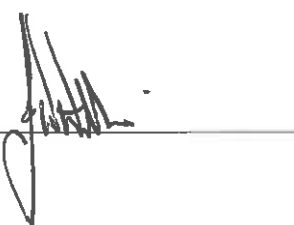
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Balance Sheet as at 31 March 2009

	Notes	31 March 2009		31 March 2008	
		£	£	£	£
Fixed assets					
Tangible fixed assets	14		2,252,287		2,298,800
Current assets					
Stocks	15	1,049		9,287	
Debtors	16	185,384		418,374	
Cash at bank and In hand	17	484,301		534,407	
		<u>670,734</u>		<u>962,068</u>	
Creditors: amounts falling due within one year	18	<u>398,938</u>		<u>366,425</u>	
Net current assets			271,796		595,643
Total assets less current liabilities			<u>2,524,083</u>		<u>2,894,443</u>
Creditors: amounts falling due after one year	19		1,020,580		1,084,477
Net assets			<u>1,503,503</u>		<u>1,809,966</u>
Funds					
General funds		329,988		649,043	
Designated funds	21	<u>977,664</u>		<u>969,609</u>	
Total unrestricted funds			1,307,652		1,618,652
Restricted funds	22		3,081		(5,913)
Endowment funds			192,770		197,227
Total funds	23		<u>1,503,503</u>		<u>1,809,966</u>

Approved by the trustees on 15 January 2010 and signed on their behalf by:


Wole Adeloje
Trustee


John Willis
Trustee

The notes on pages 14 to 21 form part of these accounts.

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Accounting Policies

for the year ended 31 March 2009

1 Accounting policies

Accounting Convention

The financial statements have been prepared under the historical cost convention and in accordance with:

- a) applicable United Kingdom accounting standards;
- b) the recommendations of the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005), published in March 2005.
- c) the Companies Act 1985.

Incoming Resources

Incoming resources are the amounts derived from the provision of charitable services, the receipt of gifts, subscriptions and grants falling within the charity's ordinary activities and are shown net of VAT where applicable.

Endowment funds

Endowment funds are restricted funds which are capital in nature. Permanent endowments exist where there is no power to convert the capital into income. The funds can reduce where there are decreases in value, either by losses or depreciation, of assets represented by the funds.

Restricted Funds

Restricted funds are to be used for specified purposes as laid down by the funder. Direct and support expenditure which meets these criteria are identified to the fund together with a fair allocation of other costs.

Unrestricted Funds

Unrestricted funds are funds received which have no restrictions placed on their use and are available as general funds.

Designated Funds

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Voluntary income

Voluntary income received by way of donations and gifts is included in full when received.

Revenue grants

Revenue grants are credited to incoming resources on the earlier of when they are received or when they are due. If they relate to a specified future period they are deferred.

Allocation of costs

Costs are allocated directly to projects where they can be identified as relating solely to that project. Other costs are allocated between the funds based on staff time spent on the fund activities or other appropriate criteria.

Governance costs

These are costs associated with the governance arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold buildings	- 2% on cost
Computer & office equipment	- 50% on cost
Furniture And Fittings	- 25% on cost
Motor Vehicles	- 25% on cost

Items of equipment are only capitalised where the purchase price exceeds £1,000.

Pecan

(A Charity Company Limited by Guarantee)

Accounting Policies

for the year ended 31 March 2009

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Pensions

The charity operates defined contribution schemes which are administered by outside independent pensions providers. Contributions payable for the year are charged to the Statement of Financial Activities.

2 Incoming resources

The incoming resources and surplus are attributable to the principal activities of the charity.

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Notes to the Accounts

for the year ended 31 March 2009

3 Net outgoing resources	2009	2008
<i>Net outgoing resources are stated after charging:</i>	£	£
Auditors fees - audit services	7,000	7,000
Auditors fees - other services	7,608	4,538
Depreciation - owned assets	44,993	50,557
	<u>59,601</u>	<u>62,095</u>
Trustees' emoluments	<u>-</u>	<u>-</u>

Emoluments include salaries, fees, bonuses, expense allowances and estimated non-cash benefits receivable. All trustees serve in a voluntary capacity and do not receive payment for their services.

APB Ethical Standard - Provisions available for small entities

In common with many other charities of our size and nature we use our auditors to assist with the preparation of the financial statements and to provide advice relating to statutory and regulatory compliance.

4 Voluntary income	Unrestricted	Restricted	2009 Total	2008 Total
	£	£	£	£
Management services division	49,309	-	49,309	36,986
Skills & employability	-	-	-	31,280
Workout	-	-	-	11,200
Morph	11,345	-	11,345	21,835
	<u>60,654</u>	<u>-</u>	<u>60,654</u>	<u>101,301</u>

5 Activities for generating funds	Unrestricted	Restricted	2009 Total	2008 Total
	£	£	£	£
Management services division	2,933	-	2,933	7,262
Skills & employability	-	-	-	220
Workout	-	-	-	(300)
Morph	25,297	-	25,297	163,827
	<u>28,230</u>	<u>-</u>	<u>28,230</u>	<u>171,009</u>

6 Investment income	Unrestricted	Restricted	2009 Total	2008 Total
	£	£	£	£
Management services division	14,214	-	14,214	33,280
	<u>14,214</u>	<u>-</u>	<u>14,214</u>	<u>33,280</u>

7 Incoming resources from charitable activities	Unrestricted	Restricted	2009 Total	2008 Total
	£	£	£	£
Management services division	1,662	-	1,662	16,859
Skills & employability	247,034	64,830	311,864	892,272
Workout	340,849	448,784	789,633	530,008
Morph	33,762	-	33,762	270,460
	<u>623,307</u>	<u>513,614</u>	<u>1,136,921</u>	<u>1,709,599</u>

8 Other incoming resources	Unrestricted	Restricted	2009 Total	2008 Total
	£	£	£	£
Management services division	8,225	-	8,225	5,474
Skills & employability	32,211	-	32,211	1,994
Workout	1,522	3,612	5,134	3,391
Morph	(540)	-	(540)	455
	<u>41,418</u>	<u>3,612</u>	<u>45,030</u>	<u>11,314</u>

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Notes to the Accounts for the year ended 31 March 2009

					2009	2008
9 Charitable activities	Direct project costs	Human Resources	Premises	Support	Total	Total
	£	£	£	£	£	£
Management services division	19,087	109,230	108,900	81,356	318,573	126,443
Skills & Employability	18,201	142,594	453	8,201	169,449	1,013,780
Workout	290,781	452,120	20,893	54,166	817,960	686,066
Morph	35,143	206,948	201	13,419	255,711	795,752
	<u>363,212</u>	<u>910,892</u>	<u>130,447</u>	<u>157,142</u>	<u>1,561,693</u>	<u>2,622,041</u>

					2009	2008
10 Analysis of Support costs	Overheads	Management services	IT Support	Fundraising	Total	Total
	£	£	£	£	£	£
Management services division	12,578	18,679	10,086	40,013	81,356	27,648
Skills & Employability	939	2,469	4,017	776	8,201	67,757
Workout	5,254	8,535	24,724	15,653	54,166	80,585
Morph	-	1,285	11,045	1,089	13,419	89,865
	<u>18,771</u>	<u>30,968</u>	<u>49,872</u>	<u>57,531</u>	<u>157,142</u>	<u>265,855</u>

			2009	2008
11 Governance costs	Unrestricted	Restricted	Total	Total
	£	£	£	£
Board meetings	283	-	283	255
Accountancy fees	7,608	-	7,608	4,538
Audit fees	7,000	-	7,000	7,000
Legal	10,320	-	10,320	388
Wages	-	-	-	5,975
Penalties	150	-	150	-
	<u>25,361</u>	<u>-</u>	<u>25,361</u>	<u>18,156</u>

	2009	2008
12 Endowment expenses	Total	Total
	£	£
Endowment expenditure	4,457	4,457
	<u>4,457</u>	<u>4,457</u>

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(A Charity Company Limited by Guarantee)

Notes to the Accounts for the year ended 31 March 2009

13 Staff costs	2009	2008
	£	£
Staff salaries	730,361	1,419,031
Staff social security	68,613	137,436
Staff pensions	28,326	41,702
	<u>827,300</u>	<u>1,598,169</u>

Average number of full time equivalent (FTE) employees and associated remuneration during the year was:

		2009		2008	
		FTE	Total £	FTE	Total £
Employees	Direct	25	616,428	49	1,176,926
	Support	4	113,933	10	242,105
	Total	<u>29</u>	<u>730,361</u>	<u>59</u>	<u>1,419,031</u>
Number of employees at end of period:	Full-time	18		52	
	Part-time	<u>17</u>		<u>15</u>	

No remuneration was paid to any Trustee or their associates during the year ended 31 March 2009 nor at 31 March 2008.

Employees paid in excess of £60,000 during the current year and previous year:	<u>None</u>	<u>None</u>
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14 Tangible fixed assets

	Building £	Office Equipment £	Furniture And Fittings £	Motor Vehicles £	Total £
Cost					
As at 1 April 2008	2,478,903	317,858	33,340	8,844	2,838,945
Disposals	-	(146,744)	(17,809)	(4,389)	(168,942)
As at 31 March 2009	<u>2,478,903</u>	<u>171,114</u>	<u>15,531</u>	<u>4,455</u>	<u>2,670,003</u>
Depreciation					
As at 1 April 2008	189,193	312,578	33,340	5,034	540,145
Charge for the year	40,825	2,682	-	1,486	44,993
Disposals	-	(146,744)	(17,809)	(2,869)	(167,422)
As at 31 March 2009	<u>230,018</u>	<u>168,516</u>	<u>15,531</u>	<u>3,651</u>	<u>417,716</u>
Net book value					
As at 31 March 2009	<u>2,248,885</u>	<u>2,598</u>	<u>-</u>	<u>804</u>	<u>2,252,287</u>
As at 31 March 2008	<u>2,289,710</u>	<u>5,280</u>	<u>-</u>	<u>3,810</u>	<u>2,298,800</u>

The fixed assets held by the company have been purchased using funds from a variety of sources. Some of these sources place a restriction on the ability of the company to dispose of assets bought with their funds. This restriction usually requires the company to gain approval for any disposals.

15 Stocks

	2009	2008
	£	£
Travel card stock	1,049	-
Child safety stock	-	9,287
	<u>1,049</u>	<u>9,287</u>

Pecan

(A Charity Company Limited by Guarantee)

Notes to the Accounts

for the year ended 31 March 2009

	2009	2008
	£	£
16 Debtors: amounts falling due within one year		
Operating debtors	125,697	241,941
Other debtors	27,292	9,936
Staff loans	-	1,002
Deposits	-	5,500
Prepayments	18,300	8,404
Accrued income	14,095	151,591
	<u>185,384</u>	<u>418,374</u>
17 Bank and cash in hand		
	£	£
Bank offset account	163,767	445,152
Bank current accounts	311,078	5,701
Barclays BPA	3,620	76,023
Petty cash	5,836	7,531
	<u>484,301</u>	<u>534,407</u>
18 Creditors: amounts falling due within one year		
	£	£
Bank overdraft	-	9,717
Credit cards	3,165	1,417
Operating creditors	38,070	36,306
Receipts in advance	-	6,482
VAT liability	13,108	22,993
Payroll taxation	-	28,039
Pensions	557	4,551
Staff salaries	-	201
Accruals	100,740	128,287
Deferred income (see note 28 below)	182,022	80,946
Operational loans	6,917	7,889
Property mortgages	54,359	39,597
	<u>398,938</u>	<u>366,425</u>
19 Creditors: amounts falling due after one year		
	£	£
Operational loans	54,332	59,923
Property mortgages	966,248	1,024,554
	<u>1,020,580</u>	<u>1,084,477</u>
20 Maturity of debt		
	£	£
Amount falling due:		
In one year or less	61,276	47,486
Between one and two years	63,267	50,486
Between two and five years	202,656	171,437
In five years or more	754,657	862,553
	<u>1,081,856</u>	<u>1,131,963</u>

The mortgages are secured by floating charges over 71-73 County Street, London SE1, 121 Peckham High Street, London SE15 and 93 Camberwell Station Road, London SE5. Two loans are repayable by 11 September 2023, with one repayable by 23 January 2026. Interest on two loans is charged at variable rates (currently 1.75%), with the third loan charged at a fixed rate of 5.6% (reviewable on 30 September 2013).

The operational loan is secured by a second charge on 93 Camberwell Station Road and is repayable in 10 years. Interest is charged at 6% per annum and is subject to review after 2 years.

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Notes to the Accounts for the year ended 31 March 2009

	Opening balance	Resources arising	Resources utilised	Closing balance
	£	£	£	£
21 Designated funds				
Designated Fund	969,609	8,055	-	977,664
	<u>969,609</u>	<u>8,055</u>	<u>-</u>	<u>977,664</u>

Designated Fund	This fund represents the amount of charity funds locked up in freehold land and buildings and other fixed assets which are needed for operational purposes. The funds are carried at the net book value of the fixed assets at the balance sheet date, after deducting any outstanding loans, endowment funds or restricted funds used to finance their acquisition.
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	Opening balance	Incoming resources	Resources expended	Transfers & adjustments	Closing balance
	£	£	£	£	£
22 Restricted funds					
Employability	12,048	64,830	73,796	-	3,081
Workout	(17,960)	452,396	434,436	-	-
	<u>(5,913)</u>	<u>517,226</u>	<u>508,232</u>	<u>-</u>	<u>3,081</u>

Restricted funds (continued)

Projects financed by restricted funds are supported by unrestricted funding where necessary. This occurs where the funding is in arrears or the incidence of expenditure on the project occurs disproportionately at the beginning of the project compared to the income flows. Where restricted projects end the year with a deficit, this is met by after year-end restricted income or transfers from unrestricted funds.

Employability	Funding designated for use in teaching ESOL courses, work with clients on incapacity benefit, over 50s, and under 18s. Expenditure shown reflects costs spent and claimed against these funds.
Workout	Funding from the UK Treasury's Invest to Save budget and from Home Office Future Builders fund to run the Workout pilot project to work with ex-offenders on release from prison to help them work, together with a new project funded by the National Offender Management Service (NOMS). The transfer to general funds is the return of general funds temporarily used to support the ISB project last year whilst awaiting the receipt of the restricted funds, which were received in the current year.

	Unrestricted funds	Restricted funds	Endowment funds	Total
	£	£	£	£
23 Net assets attributable to funds				
Tangible fixed assets	1,693,999	365,518	192,770	2,252,287
Current assets	872,753	(202,019)	-	670,734
Current liabilities	(238,520)	(160,418)	-	(398,938)
Long term liabilities	<u>(1,020,580)</u>	<u>-</u>	<u>-</u>	<u>(1,020,580)</u>
Net assets represented by funds	<u>1,307,652</u>	<u>3,081</u>	<u>192,770</u>	<u>1,503,503</u>

24 Taxation

The entity is a registered charity and does not trade or undertake non-charitable activities and has been granted tax exempt status by the Inland Revenue.

25 Post balance sheet events

There were no significant post balance sheet events.

26 Pension commitments

The charity contributes to employees defined contribution stakeholder pension schemes. The assets of the schemes are held separately from those of the charity in an independently administered fund.

The unpaid contributions outstanding at the year end were:		2009		2008
	£	<u>557</u>	£	<u>4,551</u>

27 Transactions with trustees

There were no material transactions with the trustees during the year.

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(A Charity Company Limited by Guarantee)

Notes to the Accounts for the year ended 31 March 2009

28 Contingent liabilities

The charity had no material contingent liabilities at 31 March 2009 nor at 31 March 2008.

29 Related parties

There were no disclosable related party transactions during the year.

30 Gifts in kind and volunteers

During the year the charity benefited from unpaid work performed by volunteers.

31 Company status

The company is limited by guarantee and has no share capital. The guarantors liability in the event the company is wound up is restricted to a maximum of £1 each.