

Company number: 2394165

Charity number: 801819

Pecan

(A Charity Company Limited by Guarantee, company number 2394165)

Audited Financial Statements

and

Trustees' Report

for the year ended 31 March 2011

Pecan

(A Charity Company Limited by Guarantee, company number 2394165)

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Pecan

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Charity Information for the year ended 31 March 2011

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

Company registration number: 2394165
England & Wales

Charity registration number: 801819

Registered office: 121A Peckham High Street
Peckham
London SE15 5SE

Operations address: 121A Peckham High Street
Peckham
London SE15 5SE

Trustees who held office during the year:

Wole Adeloje	
John Willis	
Lynne Angela Moses	- Resigned 14 August 2011
Adermi Okeshola	
Olufemi Adesanya	
Eelco Wiersma	- Appointed 10 November 2010
Peter Stunell	- Resigned 10 November 2010
Philip Osei-Hwere	- Resigned 10 November 2010

Chair: Wole Adeloje (to 20 January 2011)
Eelco Wiersma (from 20 January 2011)

Vice chair: Peter Stunell (to 10 November 2010)
Adermi Okeshola (from 20 January 2011)

Secretary: Mark Trigg

Independent Auditors: **Armstrong & Co**
Chartered Accountants & Statutory 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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Pecan

(A Charity Company Limited by Guarantee, company number 2394165)

Trustees' Report, incorporating the Directors' Report for the year ended 31 March 2011

The Trustees of Pecan present their report together with the financial statements for the year ended 31 March 2011.

Principal activity

The principal activity of the charity in the year under review was that of the provision of information, advice and guidance, 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.

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.

Risk Assessment

The charity maintains and actively monitors its risk register. The register is presented to the board at each meeting by the CEO, 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.

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Trustees' Report, incorporating the Directors' Report for the year ended 31 March 2011

Objectives and Activities

Pecan's Charitable Objects

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

- 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 22 years, we have shown ourselves to be successful in reaching many hard to reach groups within the communities we seek to serve, delivering 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 2011

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, those with mental health issues, young people (Not in Education, Employment or Training), and the long-term unemployed. We also established a Peckham Foodbank, in partnership with local churches, to provide emergency support to people in the community who find themselves unable to provide food for themselves &/or their family. Over the year 8,900kg of food was given out to 1,159 individuals.

Our object remains to serve as many people as we can by delivering high quality programs and seeing lives transformed. A further object for the year was to develop our current contracts to enable them to perform well during their lifetimes and to identify ways to enable Pecan to secure further funding to carry our work going forward, including widening our funding base from mainly statutory support towards more trust and local community funding.

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, London Councils and the Skills Funding Agency), 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 develop partnerships with local churches and other organisations to be able to provide services as locally as possible to the clients we are serving.

Who uses our services

During 2010-11 Pecan worked alongside: NEET Young people, refugees, asylum seekers, the long term unemployed, those with mental 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, Lambeth, Greenwich, Wandsworth & Lewisham, although some projects can take people from 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 local 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.

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 46 volunteers working with the charity during the year in the following main categories:

Ex-offenders	11
Foodbank	13
Information, Advice & Guidance	9
Aspirations (Mental Health)	2
Central Support	11

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Trustees' Report, incorporating the Directors' Report for the year ended 31 March 2011

Achievement and performance

The numbers of clients benefiting from our programmes can be seen below, in comparison to the previous 2 financial years.

Focus Area	Number of Clients Supported		
	2008-9	2009-10	2010-11
Young People – Not in Education, Employment & Training (SO3, SO4, SO5)	163	280	189
Ex-offenders (Move On)	151	73	82
Refugees & Asylum Seekers (ESOL) (Engage & Get On)	92	135	78
Long-term Unemployed (Personal Best)	141	196	n/a
Information Advice & Guidance (Southwark Works, Connect, Next Steps)	276	320	745
Foodbank	n/a	309	1159
Vocational Training (Create)	121	n/a	n/a
Morph	776	n/a	n/a
Literacy (Train to Gain)	n/a	n/a	28
Total Number of Clients Supported:	1720	1313	2281

Fundraising performance

During 2010-11, Pecan was successful in being awarded a new Information, Advice & Guidance contract under Next Steps, as well as an additional years funding from Southwark Council. We also received trust funding and voluntary donations towards our Foodbank and 3 years of funding to develop a Work Club project around our Employment Preparation Course materials & experience. Pecan was also successful in being awarded money from Southwark Council's Transition Fund.

The restructuring of the main statutory funding bodies from whom Pecan has traditionally received its support, has meant however that the majority of funding for our main programmes of work reduced over the year.

At the end of the year, external fundraising support had been secured to help Pecan identify & attract other more sustainable sources of funding.

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 £168,646 and reserves of £1,173,349.

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 year we had no months reserves held.

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 2011

Plans for future periods

For the year 2011 – 2012 the Board has outlined priorities to ensure that PECAN will be strong, healthy and able to focus on its core mission – our belief that employment remains a central element in the lives of people to leave poverty behind and be included in society and community.

Over the past few years PECAN has gone through a difficult period of constriction, financially and organisationally, which the Board in the coming year, aims to halt and turn around, building a healthy and sustainable financial platform through twofold action.

Firstly, by scaling the overhead costs at the top level of management to fit into the available finances and reflect the current size of the organisation, through creating a new post of Executive Director, instead of a Senior Management Team of CEO and Deputy CEO. With the appointment of a new Executive Director in October 2011 the Board are looking forward to work with the new ED, staff, volunteers and churches, to strengthen and broaden PECAN's position in the world of training, employment and skills with energy, enthusiasm, innovation and purpose, utilising all appropriate means available to fulfil PECAN's mission.

Secondly, by delivering successfully on current contracts to secure repeat income and by generating new income from statutory and other funding sources, while at the same time selling properties, no longer required for its activities. We are working hard to successfully deliver our existing Information Advice and Guidance projects to secure the opportunity to continue delivering this important work, supporting our clients further towards engaging with work and their community. In the near future we are hoping to secure substantial funds from the Big Lottery Fund to work with young women ex-offenders – Youth in Focus – which will run for 3 years from January 2012. In addition we will be looking for new opportunities to develop projects in areas of our expertise delivering support to the most disadvantaged in our communities, whom other statutory projects often cannot reach – filling the gaps.

In addition, we will be investigating the use of Social Enterprise to generate income to support activities that reach those in desperate need, such as the Foodbank. Through our involvement with such projects and others we are seeking to strengthen our relationship with local churches and other organisations working in our communities with the poor, the unemployed and those who need support to lead fulfilling lives.

Independent Auditors

The auditors, Armstrong & Co, have indicated their willingness to be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

Although not required, the trustees have determined that the charitable company be audited under the Companies Act 2006 for the year ended 31st March 2011 and for future years. The charitable company is required to be audited under charities legislation for the year ended 31st March 2011.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

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 9.

The financial statements were approved by the Board of Trustees on 7 October 2011 and signed on its behalf by:



Eelco Wiersma
Trustee

Pecan

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Statement of Trustees' Responsibilities for the year ended 31 March 2011

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) Observe the methods and principles in the Charities SORP;
- c) Make judgements and estimates that are reasonable and prudent;
- d) Follow applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the accounts;
- e) 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 adequate 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 2006 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 418 of the Companies Act 2006) 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 2011 on pages 11 to 18 which have been prepared in accordance with the accounting policies set out on page page 13. The financial framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as modified by the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the charitable company's members and trustees, as a body, in accordance with Chapter 3 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 explained more fully in the Statement of Trustees' Responsibilities set out on page 9 the charity's trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 43 of the Charities Act 1993 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB) Ethical Standards for Auditors, including APB Ethical Standard Provisions Available for Small Entities, in the circumstances set out in note 3 to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the Companies Act 2006 and the Charities Act 1993.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 1993 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime.



Anthony Armstrong (Senior statutory auditor)
Armstrong & Co
Chartered Accountants & Statutory Auditors
7 October 2011

4a Printing House Yard
Hackney Road
London E2 7PR

Pecan

(A Charity Company Limited by Guarantee, company number 2394165)

Statement of Financial Activities

*incorporating the income and expenditure account
for the year ended 31 March 2011*

		2011			2010
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	Notes	£	£	£	£
Incoming resources					
Voluntary income	4	51,533	7,650	-	59,183
Activities for generating funds	5	78,492	-	-	78,492
Investment income	6	534	-	-	534
Incoming resources from charitable activities	7	1,161,047	130,966	-	1,292,013
Other incoming resources	8	66,714	50	-	66,764
Total incoming resources		1,358,320	138,666	-	1,496,986
Resources expended					
Charitable activities	9	1,444,197	174,479	-	1,618,676
Governance costs	11	42,499	-	-	42,499
Endowment expenses	12	-	-	4,457	4,457
Total resources expended		1,486,696	174,479	4,457	1,665,632
Surplus/(deficit) on ordinary activities before funds transfers		(128,376)	(35,813)	(4,457)	(168,646)
Gross transfers between funds					
General to restricted	21	(35,813)	35,813	-	-
Net income/(expenditure) for the year		(164,189)	-	(4,457)	(168,646)
Total funds brought forward		1,153,682	-	188,313	1,341,995
Total funds carried forward		989,493	-	183,856	1,341,995

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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Balance Sheet as at 31 March 2011

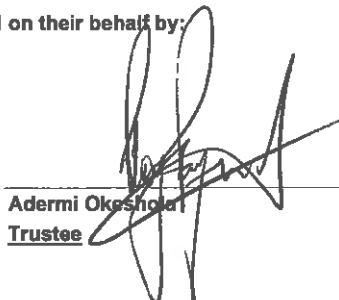
	Notes	31 March 2011		31 March 2010	
		£	£	£	£
Fixed assets					
Tangible fixed assets	14		2,167,235		2,209,008
Current assets					
Debtors	15	395,224		383,529	
Cash at bank and In hand	16	<u>40,089</u>		<u>510,029</u>	
		435,313		893,558	
Creditors: amounts falling due within one year	17	<u>507,847</u>		<u>803,247</u>	
Net current assets			(72,534)		90,311
Total assets less current liabilities			<u>2,094,701</u>		<u>2,299,319</u>
Creditors: amounts falling due after one year	18		921,352		957,324
Net assets			<u>1,173,349</u>		<u>1,341,995</u>
Funds					
General funds		(36,656)		153,520	
Designated funds	20	<u>1,026,149</u>		<u>1,000,162</u>	
Total unrestricted funds			989,493		1,153,682
Endowment funds			183,856		188,313
Total funds	22		<u>1,173,349</u>		<u>1,341,995</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the trustees on 7 October 2011 and signed on their behalf by:



Eelco Wiersma
Trustee



Adermi Okeshola
Trustee

The notes on pages 13 to 18 form part of these accounts.

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Accounting Policies

for the year ended 31 March 2011

1 Accounting policies

Accounting Convention

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

- a) the Financial Reporting Standard for Smaller Entities (effective April 2008);
- b) the recommendations of the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005), published in March 2005.
- c) the Companies Act 2006.

Deferred income

Income received which is contractually or otherwise not expendable until a future period is deferred.

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.

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.

Land & buildings	- 2% on cost
Office equipment	- 50% on cost
Furniture & fittings	- 25% on cost
Motor vehicles	- 25% on cost

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

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 2011

3 Net outgoing resources	2011	2010
<i>Net outgoing resources are stated after charging:</i>	£	£
Auditors fees - audit services	6,000	7,000
Auditors fees - other services	10,499	6,290
Depreciation - owned assets	41,773	45,179

Trustees' emoluments

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	2011 Total	2010 Total
	£	£	£	£
Central & sundry	51,533	7,650	59,183	50,928
Employability	-	-	-	10,388
	<u>51,533</u>	<u>7,650</u>	<u>59,183</u>	<u>61,316</u>

5 Activities for generating funds	Unrestricted	Restricted	2011 Total	2010 Total
	£	£	£	£
Central & sundry	78,492	-	78,492	38,950
	<u>78,492</u>	<u>-</u>	<u>78,492</u>	<u>38,950</u>

6 Investment income	Unrestricted	Restricted	2011 Total	2010 Total
	£	£	£	£
Central & sundry	534	-	534	1,305
	<u>534</u>	<u>-</u>	<u>534</u>	<u>1,305</u>

7 Incoming resources from charitable activities	Unrestricted	Restricted	2011 Total	2010 Total
	£	£	£	£
Central & sundry	8,783	-	8,783	16,888
Employability	233,925	101,216	335,141	487,002
Basic skills	96,137	-	96,137	281,336
Youth & ex-offenders	822,202	29,750	851,952	448,553
	<u>1,161,047</u>	<u>130,966</u>	<u>1,292,013</u>	<u>1,233,779</u>

8 Other incoming resources	Unrestricted	Restricted	2011 Total	2010 Total
	£	£	£	£
Central & sundry	62,589	-	62,589	6,220
Employability	-	50	50	525
Basic skills	1,998	-	1,998	9,142
Youth & ex-offenders	2,127	-	2,127	50
	<u>66,714</u>	<u>50</u>	<u>66,764</u>	<u>15,937</u>

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Notes to the Accounts

for the year ended 31 March 2011

9 Charitable activities	Direct project costs	Human Resources	Premises	Support	2011 Total	2010 Total
	£	£	£	£	£	£
Central & sundry	5,004	151,334	63,340	86,101	305,779	171,814
Employability	284,123	216,533	17	18,907	519,580	449,108
Basic Skills	1,519	97,209	-	8,861	107,589	290,887
Youth & ex-offenders	435,067	229,251	33	21,377	685,728	569,752
	<u>725,713</u>	<u>684,327</u>	<u>63,390</u>	<u>135,246</u>	<u>1,618,676</u>	<u>1,481,561</u>

10 Analysis of Support costs	Overheads	Management services	Depreciation & finance costs	Fundraising	2011 Total	2010 Total
	£	£	£	£	£	£
Central & sundry	61,197	8,960	6,219	9,725	86,101	56,802
Employability	6,089	7,676	4,817	325	18,907	45,158
Basic Skills	4,136	2,530	2,195	-	8,861	11,588
Youth & ex-offenders	4,330	7,738	8,928	381	21,377	31,863
	<u>75,752</u>	<u>26,904</u>	<u>22,159</u>	<u>10,431</u>	<u>135,246</u>	<u>145,411</u>

11 Governance costs	Unrestricted	Restricted	2011 Total	2010 Total
	£	£	£	£
Board meetings	1,311	-	1,311	455
Accountancy fees	10,499	-	10,499	6,290
Audit fees	6,000	-	6,000	7,000
Legal	24,689	-	24,689	13,034
	<u>42,499</u>	<u>-</u>	<u>42,499</u>	<u>26,779</u>

12 Endowment expenses	2011 Total	2010 Total
	£	£
Endowment expenditure	4,457	4,457
	<u>4,457</u>	<u>4,457</u>

Endowment expenditure relates to depreciation on capital assets acquired with endowment funds.

13 Staff costs	2011	2010
	£	£
Staff salaries	544,161	793,196
Staff social security	46,036	72,595
Staff pensions	27,035	32,995
	<u>617,232</u>	<u>898,786</u>

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

Employees		2011		2010	
		FTE	Total £	FTE	Total £
Employees	Direct	4	135,811	28	700,222
	Support	7	408,350	3	92,974
	Total	<u>11</u>	<u>544,161</u>	<u>30</u>	<u>793,196</u>
Number of employees at end of period:	Full-time	7		18	
	Part-time	<u>6</u>		<u>20</u>	

No remuneration was paid to any Trustee or their associates for services as a trustee during the year ended 31 March 2011 nor at 31 March 2010.

Employees paid in excess of £60,000 during the current year and previous year:	2011	2010
	None	None

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Notes to the Accounts for the year ended 31 March 2011

14 Tangible fixed assets	Land & buildings	Office equipment	Furniture & fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
As at 1 April 2010	2,478,903	173,012	15,531	4,456	2,671,902
As at 31 March 2011	<u>2,478,903</u>	<u>173,012</u>	<u>15,531</u>	<u>4,456</u>	<u>2,671,902</u>
Depreciation					
As at 1 April 2010	270,843	172,064	15,531	4,456	462,894
Charge for the year	40,825	948	-	-	41,773
As at 31 March 2011	<u>311,668</u>	<u>173,012</u>	<u>15,531</u>	<u>4,456</u>	<u>504,667</u>
Net book value					
As at 31 March 2011	<u>2,167,235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,167,235</u>
As at 31 March 2010	<u>2,208,060</u>	<u>948</u>	<u>-</u>	<u>-</u>	<u>2,209,008</u>
15 Debtors: amounts falling due within one year				2011	2010
				£	£
Operating debtors				115,515	302,194
Prepayments				12,910	75,808
Accrued income				266,799	5,527
				<u>395,224</u>	<u>383,529</u>
16 Bank and cash in hand				2011	2010
				£	£
Bank deposit accounts				5,708	181,673
Bank current account				31,390	325,273
Petty cash				2,991	3,083
				<u>40,089</u>	<u>510,029</u>
17 Creditors: amounts falling due within one year				2011	2010
				£	£
Operating creditors				165,158	42,176
Credit card				3,159	5,552
Rent deposit held				-	21,250
VAT liability				9,155	5,199
Payroll & taxation				7,875	-
Pension payments due				2,777	3,967
Accruals				272,846	63,883
Deferred income				11,000	598,010
Operating loans				7,347	7,347
Property mortgages				28,530	55,863
				<u>507,847</u>	<u>803,247</u>
18 Creditors: amounts falling due after one year				2011	2010
				£	£
Operating loans				39,557	46,939
Property mortgages				881,795	910,385
				<u>921,352</u>	<u>957,324</u>

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Notes to the Accounts for the year ended 31 March 2011

19 Maturity of debt	2011	2010
	£	£
Amount falling due:		
In one year or less	35,877	63,210
Between one and two years	67,125	65,350
Between two and five years	213,840	222,217
In five years or more	640,387	669,756
	<u>957,229</u>	<u>1,020,533</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 over 10 years from 24 February 2005. Interest is charged at 6% per annum and is subject to review after 2 years.

20 Designated funds	Opening balance	Resources arising	Resources utilised	Closing balance
	£	£	£	£
Fixed asset fund	1,000,162	25,987	-	1,026,149
	<u>1,000,162</u>	<u>25,987</u>	<u>-</u>	<u>1,026,149</u>

Fixed asset 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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21 Restricted funds	Opening balance	Incoming resources	Resources expended	Transfers & adjustments	Closing balance
	£	£	£	£	£
Central	-	7,650	30,568	22,918	-
Employability	-	101,266	107,861	6,595	-
Youth & ex-offenders	-	29,750	36,052	6,302	-
	<u>-</u>	<u>138,666</u>	<u>174,481</u>	<u>35,815</u>	<u>-</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.

Central	Funding designated for work on an Urban Mission Toolkit and the Pecan Foodbank.
Employability	Funding designated for use in providing information and guidance (IAG) to clients on incapacity benefit.
Youth & ex-offenders	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).

22 Net assets attributable to funds	General funds	Designated funds	Restricted funds	Endowment funds	Total
	£	£	£	£	£
Tangible fixed assets	957,230	1,026,149	-	183,856	2,167,235
Current assets	208,603	-	226,710	-	435,313
Current liabilities	(281,137)	-	(226,710)	-	(507,847)
Long term liabilities	(921,352)	-	-	-	(921,352)
Net assets represented by funds	<u>(36,656)</u>	<u>1,026,149</u>	<u>-</u>	<u>183,856</u>	<u>1,173,349</u>

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Notes to the Accounts for the year ended 31 March 2011

23 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

24 Post balance sheet events

There were no significant post balance sheet events.

25 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:

	2011	2010
	£ 2,777	£ 3,967

26 Other financial commitments

Between two and five years

3,081	-
<u>3,081</u>	<u>-</u>

27 Transactions with trustees

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

28 Contingent liabilities

The charity had no material contingent liabilities at 31 March 2011 nor at 31 March 2010.

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 Local Government and Housing Act 1989 s37

In accordance with Section 37 of the Local Government and Housing Act 1989 the following grants and their purpose is confirmed:

<i>Funder</i>	<i>Project Name</i>		
London Councils	Engage	£	38,967
London Councils	Move - On	£	9,228
London Councils	People with Mental Health Needs	£	<u>64,925</u>

32 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.