

**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 2012**

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# **Pecan**

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

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# Pecan

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

## Charity Information for the year ended 31 March 2012

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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.

<b>Charity name:</b>	Pecan	
<b>Company registration number:</b>	2394165 England & Wales	
<b>Charity registration number:</b>	801819	
<b>Registered office:</b>	121A Peckham High Street Peckham London SE15 5SE	
<b>Operations address:</b>	121A Peckham High Street Peckham London SE15 5SE	
<b>Trustees who held office during the year:</b>	Wole Adeloje John Willis Lynne Angela Moses Aderemi Okeshola Olufemi Adesanya Eelco Wiersma	- Resigned 18 October 2011 - Resigned 14 August 2011
<b>Chair:</b>	Eelco Wiersma	
<b>Vice chair:</b>	Aderemi Okeshola	
<b>Secretary:</b>	Mark Trigg	
<b>Independent Auditors:</b>	<b>Armstrong &amp; Co</b> <i>Chartered Accountants &amp; Statutory Auditors</i> 4a Printing House Yard Hackney Road London E2 7PR	
<b>Solicitors:</b>	<b>Grant Saw</b> 110-114 Norman Road Greenwich London SE10 9EH	
<b>Bankers:</b>	<b>Barclays Bank plc</b> United Kingdom House 180 Oxford Street London W1D 1EA	<b>Triodos Bank NV</b> 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 2012**

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The Trustees of Pecan present their report together with the financial statements for the year ended 31 March 2012.

### **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 participating churches, each of which may nominate a maximum of 2 members. Members agree to the Churches Together basis of faith, and pay an annual subscription.

The members of the company 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 Pecan are also Trustees of the Charity.

The Board meet quarterly and in a number of sub-committees and set policy and direction for the charity, and oversee the work of the Executive Director.

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') is made up of members who have experience and expertise relating to Pecan's work in providing training and support for the marginalised and unemployed. The Board may appoint any member of the Company or any other suitable person, either as a replacement of a member or as an additional member to the Board. Such appointments must be confirmed by election at the next Annual General Meeting. Appointment of the Secretary is 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 complementary skills and backgrounds.

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

New trustees participate in a full induction programme upon appointment.

##### **3. Senior Management**

The day to day management of the charity is the responsibility of the Executive Director who is appointed by the Board.

#### **Operational Structure**

All programs of work are managed by project managers. Senior management provides support and oversight of projects, and ensures that standards are maintained across the organisation. Senior management also takes 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 objectives, the charity works in partnership with many local, national and international organisations and government agencies whilst retaining a prime focus on our neighbourhood within the London region.

#### **Risk Assessment**

The charity maintains and actively monitors its risk register. The register is presented to the Board at each quarterly 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 quarterly meeting, along with any updates to related procedures and policies.

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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 2012

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### 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 help transform the lives of those we work with, many of whom face seemingly insurmountable barriers to realise their dreams; vulnerable groups such as ex-offenders and 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 they are a part of 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 and injustice on a local and national level.

Over the last 22 years, we have shown ourselves to be successful in working with many hard-to-reach groups within the communities we 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.

We are determined to outworking our vision and values over the long-term, committed to our organisational values of:

- **Excellence** – pursuing excellence in all we do, by providing the highest quality of service to best support our participants, staff and the community
- **Empowering** – seeing the individuals and communities we work with empowered to make their own choices and affect their own situation
- **Equality & Diversity** – 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** – prayer as a key foundation on which all our work is established and as an integral part of our life together
- **Pioneering** – pioneering projects that find new ways to address the needs of our participants and work towards their social inclusion
- **Accountability** – transparency, participation and learning across all areas of our work both internally and externally
- **Advocacy** – using our voice and standing alongside our participants and the local community to influence issues impacting them
- **Collaboration** – achieving our vision through partnership with the local community, churches and other groups and organisations
- **Sustainability** – protecting the environment, promoting health and encouraging ethical lifestyles through initiatives such as Fairtrade

#### 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 and injustice on a local and national level, with and for our community.

In the year under review Pecan delivered 5 different projects working to provide advice, training and support into employment for our participants. The projects focused on working with the long term unemployed of all ages, ex-offenders and those with mental health issues. During the year we have continued to develop the Peckham Foodbank, in partnership with local churches, providing emergency support to a growing number of people in the community who find themselves unable to feed themselves and/or their family.

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

#### Strategies for achieving our objects

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

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## Trustees' Report, incorporating the Directors' Report for the year ended 31 March 2012

Support is also sought from corporate sponsors, charitable trusts and other supporter groups to enhance and increase our provision. Currently Pecan is delivering contracted services which meet a basic standard of provision as prescribed by the contract holders. Many people accessing our services are in need of more intensive support; over many years Pecan has provided this support and will continue to find ways to provide the level of support needed for those furthest from the job market.

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 participants we are serving.

### Who uses our services

During the financial year 2011-2012 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 are offered to our participants free of charge. Our funders prescribe the eligibility criteria for participants to come onto our programmes, which vary between contracts, as most services are targeted to meet the needs of specific disadvantaged groups. The majority of our programmes have a focus on supporting people within the London boroughs of Southwark, Lambeth, Greenwich, Wandsworth and Lewisham, although some projects can take people from across London. As our main focus 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 participant, employee, volunteer and stakeholder in a way which reflects the value they have in God's sight. We recognise that disadvantage and discrimination exist in society and Pecan is committed to striving to eliminate these inequalities. We aim to be fair, reasonable and just in all our responsibilities.

Pecan is committed to ensuring 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 participants to gain control over their own lives. 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 participants are able to benefit directly from the additional support and wider expertise volunteers can offer. Volunteers are involved in a wide range of our work, both in terms of frontline contact with participants, acting as mentors for our ex-offenders and refugees and as classroom assistants supporting participants 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 / General Support	11

### 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		
	2009-10	2010-11	2011-12
Young People – Not in Education, Employment & Training (SO3, SO4, SO5)	280	189	n/a
Ex-offenders (Move On)	73	82	n/a
Refugees & Asylum Seekers (ESOL) (Engage & Get On)	135	78	n/a
Long-term Unemployed (Personal Best)	196	n/a	n/a
Information Advice & Guidance (Southwark Works, Aspirations, Next)	320	745	1840
Foodbank	309	1,159	1,505
Literacy (Train to Gain)	n/a	28	n/a
<b>Total Number of Clients Supported:</b>	<b>1,313</b>	<b>2,281</b>	<b>3,345</b>

### Fundraising performance

During the financial year 2011-2012, Pecan renewed contracts to deliver Information, Advice & Guidance under the Next Steps contract and the Southwark Works partnership (based on an additional year's 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 and experience. Pecan also received funding to develop our internal procedures from Southwark Council's Transition Fund.

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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 2012

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The restructuring of the main statutory funding bodies from which Pecan has traditionally received its support, has meant that the majority of funding for our main programmes of work reduced over the year. Throughout the year Pecan has worked with external fundraising support to secure additional trust funds.

### *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 incoming resources for the year of £57,752 and reserves of £1,231,099.

#### **Tangible fixed assets for use by the charity.**

Fixed assets are set out in Note 13 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 2 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.

#### **Plans for future periods**

Financially and organisationally Pecan has gone through a difficult period of constriction. The organisation has gone through a major senior level restructure during this financial year. The aim in going forward is to be financially secure whilst delivering the services that give our participants the best opportunities in life.

As Pecan enters its 23rd year a new phase of development has begun. Whilst government backed contracts will continue to play a key role in the financial sustainability of the organisation, they will take a more equal shared role in the financial profile of the organisation. In the business plan for 2012–2014 Pecan has established 6 themes of development. Under these areas there is a mix of contracted, trust funded and self generated income. The focus is always on supporting staff and volunteers to deliver services that provide the best possible support to our participants. The six themes of development are:

- **Contract delivery** – Pecan is committed to increasing the number of government backed contracts and larger trust grants, such as the Big Lottery Fund, that we deliver to support people back into employment or to make more sustainable life choices.
- **Influencing** – To promote the work of Pecan to a wider audience and to increase our profile within the local Christian communities.
- **Christian Social Action** – To develop our position as a practical resource for local churches to deliver social action projects across our region. A significant focus of this theme is the development of the reach of Foodbank. Our aim is to be a key partner for churches and Christian organisations in being relevant to their community.
- **Innovation and Social Enterprise** – Pecan is seeking to develop new services that do not rely on grants or contracts. We are exploring ways to increase revenue from our building and to trade as a social enterprise, making the most of our High Street position. Alongside this we are actively seeking increased supporter and trust funding to enable us to meet more of the needs of our participants.
- **Finance and Governance** – A review of the governance structures of the organisation have been scheduled to report on this year. This will enable us to ensure that we stay focused on our key support throughout the year. Further to this the Trustees are focusing financial management on securing the reserves policy and ensuring that the organisation develops within its means.
- **Volunteer and staff development** – Volunteers and staff are the lifeblood of the organisation. Pecan is determined to invest in the team to ensure that they grow in numbers, but also that the individuals grow in spirit, skills, passion and security.

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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 2012

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### 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 2012 and for future years. The charitable company is required to be audited under charities legislation for the year ended 31st March 2012.

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 25 September 2012 and signed on its behalf by:



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Eelco Wiersma

Trustee



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# **Pecan**

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

## **Statement of Trustees' Responsibilities for the year ended 31 March 2012**

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### **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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# Pecan

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

## Independent Auditors' Report to the Members of Pecan

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We have audited the financial statements of Pecan for the year ended 31 March 2012 set out on pages 11 to 18. The financial reporting 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 company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 company and the company's 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 report in accordance with that Act. 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 2012 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.

### 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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 and take advantage of the small companies exemption in preparing the directors report.



**Anthony Armstrong ACA (Senior statutory auditor)**

**Armstrong & Co**  
**Chartered Accountants & Statutory Auditors**  
**25 September 2012**

**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 2012

		2012			2011
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
		£	£	£	£
<b>Incoming resources</b>					
Voluntary income	4	76,616	-	-	76,616
Investment income	5	42	-	-	42
Incoming resources from charitable activities	6	203,924	160,043	-	363,967
Other incoming resources	7	223,961	-	-	223,961
<b>Total incoming resources</b>		<b>504,543</b>	<b>160,043</b>	<b>-</b>	<b>664,586</b>
<b>Resources expended</b>					
Charitable activities	8	446,324	142,796	-	589,120
Governance costs	10	13,257	-	-	13,257
Endowment expenses	11	-	-	4,457	4,457
<b>Total resources expended</b>		<b>459,581</b>	<b>142,796</b>	<b>4,457</b>	<b>606,834</b>
<b>Surplus/(deficit) on ordinary activities before funds transfers</b>		<b>44,962</b>	<b>17,247</b>	<b>(4,457)</b>	<b>57,752</b>
<b>Gross transfers between funds</b>					
General to restricted	20	(3,682)	3,682	-	-
Restricted to general	20	9,267	(9,267)	-	-
<b>Net income/(expenditure) for the year</b>		<b>50,547</b>	<b>11,662</b>	<b>(4,457)</b>	<b>57,752</b>
<b>Total funds brought forward</b>		<b>989,491</b>	<b>-</b>	<b>183,856</b>	<b>1,173,347</b>
<b>Total funds carried forward</b>		<b>1,040,038</b>	<b>11,662</b>	<b>179,399</b>	<b>1,231,099</b>

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.

# Pecan

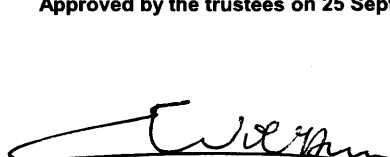
(A Charity Company Limited by Guarantee, company number 2394165)

## Balance Sheet as at 31 March 2012

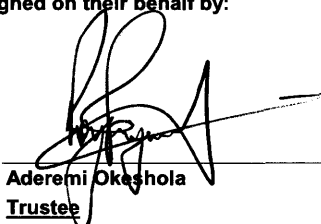
	Notes	31 March 2012		31 March 2011	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	13		1,748,426		2,167,235
<b>Current assets</b>					
Debtors	14	68,675		395,224	
Cash at bank and In hand	15	118,409		40,091	
		<u>187,084</u>		<u>435,315</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>143,262</u>		<u>507,851</u>	
<b>Net current assets</b>			43,822		(72,536)
<b>Total assets less current liabilities</b>			<u>1,792,248</u>		<u>2,094,699</u>
<b>Creditors: amounts falling due after one year</b>	17		561,149		921,352
<b>Net assets</b>			<u>1,231,099</u>		<u>1,173,347</u>
<b>Funds</b>					
General funds		75,562		(36,658)	
Designated funds	19	<u>964,476</u>		<u>1,026,149</u>	
Total unrestricted funds			1,040,038		989,491
Restricted funds	20		11,662		-
Endowment funds			179,399		183,856
<b>Total funds</b>	21		<u>1,231,099</u>		<u>1,173,347</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 25 September 2012 and signed on their behalf by:



Eelco Wiersma  
Trustee



Aderemi Okeshola  
Trustee

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

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# Pecan

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

## Accounting Policies for the year ended 31 March 2012

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### 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

#### 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.

#### 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.

# Pecan

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

## Notes to the Accounts for the year ended 31 March 2012

<b>3 Net incoming resources</b>	<b>2012</b>	<b>2011</b>
<i>Net incoming resources are stated after charging:</i>	£	£
Auditors fees - audit services	3,000	6,000
Auditors fees - other services	1,000	10,499
Depreciation - owned assets	<u>33,166</u>	<u>41,773</u>
<b>Trustees' emoluments</b>	<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.

### Income & Expenditure areas in accounts

Name	Projects at Pecan
Central & Community Development	Donations, Southwark Transition, Workclub grant from Tear fund, fundraising, food bank, rental & investment income etc.
Employability	Southwark Works, Southwark Works Housing, Next steps, Connect.
Basic skills	Mental Health project.
Youth & Ex-offending	Big Lottery fund, Step up, Move on, Youth in Focus.

<b>4 Voluntary income</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2012</b>	<b>2011</b>
	£	£	Total	Total
Central & Community Development	76,616	-	<u>76,616</u>	<u>59,183</u>
	<u>76,616</u>	<u>-</u>	<u>76,616</u>	<u>59,183</u>

<b>5 Investment income</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2012</b>	<b>2011</b>
	£	£	Total	Total
Central & Community Development	42	-	<u>42</u>	<u>534</u>
	<u>42</u>	<u>-</u>	<u>42</u>	<u>534</u>

<b>6 Incoming resources from charitable activities</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2012</b>	<b>2011</b>
	£	£	Total	Total
Central & Community Development	(69)	47,000	46,931	8,783
Employability	122,698	89,043	211,741	335,141
Basic skills	80,355	-	80,355	96,137
Youth & ex-offenders	940	24,000	<u>24,940</u>	<u>851,952</u>
	<u>203,924</u>	<u>160,043</u>	<u>363,967</u>	<u>1,292,013</u>

<b>7 Other incoming resources</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2012</b>	<b>2011</b>
	£	£	Total	Total
Central & Community Development	21,130	-	21,130	141,081
Employability	9,068	-	9,068	50
Basic skills	-	-	-	1,998
Youth & ex-offenders	-	-	-	2,127
Surplus on disposal of fixed assets	193,763	-	<u>193,763</u>	-
	<u>223,961</u>	<u>-</u>	<u>223,961</u>	<u>145,256</u>

# Pecan

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## Notes to the Accounts for the year ended 31 March 2012

8 Charitable activities	Direct project costs	Human Resources	Premises	Support	2012 Total	2011 Total
	£	£	£	£	£	£
Central & Community Development	3,424	118,769	58,072	85,685	265,950	305,779
Employability	37,196	166,942	-	14,076	218,214	519,580
Basic Skills	40,079	26,952	-	7,456	74,487	107,589
Youth & ex-offenders	435	1,965	-	28,069	30,469	685,728
	<u>81,134</u>	<u>314,628</u>	<u>58,072</u>	<u>135,286</u>	<u>589,120</u>	<u>1,618,676</u>

9 Analysis of Support costs	Overheads	Management services	Depreciation & finance costs	Fundraising	2012 Total	2011 Total
	£	£	£	£	£	£
Central & Community Development	53,881	12,780	8,462	10,562	85,685	86,101
Employability	42	8,004	6,030	-	14,076	18,907
Basic Skills	5,594	891	941	30	7,456	8,861
Youth & ex-offenders	28,014	-	-	55	28,069	21,377
	<u>87,531</u>	<u>21,675</u>	<u>15,433</u>	<u>10,647</u>	<u>135,286</u>	<u>135,246</u>

10 Governance costs	Unrestricted	Restricted	2012 Total	2011 Total
	£	£	£	£
Board meetings	2,231	-	2,231	1,311
Accountancy fees	-	-	-	10,499
Audit fees	1,600	-	1,600	6,000
Legal	9,426	-	9,426	24,689
	<u>13,257</u>	<u>-</u>	<u>13,257</u>	<u>42,499</u>

11 Endowment expenses	2012 Total	2011 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. This endowment fund is made up of donations and statutory funding provided to contribute towards capitalised refurbishments of 121 Peckham High Street and 71-73 County Street. Depreciation associated with the improvements is charged to the endowed funds in the proportion to which they have contributed to the refurbishment.

12 Staff costs	2012	2011
	£	£
Staff salaries	261,600	544,161
Staff social security	21,737	46,036
Staff pensions	8,933	27,035
	<u>292,270</u>	<u>617,232</u>

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

		2012		2011	
		FTE	Total £	FTE	Total £
Employees	Direct	5	141,593	4	135,811
	Support	3	120,007	7	408,350
	Total	<u>8</u>	<u>261,600</u>	<u>11</u>	<u>544,161</u>
Number of employees at end of period:	Full-time	5		7	
	Part-time	<u>4</u>		<u>6</u>	

No remuneration was paid to any Trustee or their associates for services as a trustee during the year ended 31 March 2012 nor to 31 March 2011.

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

# Pecan

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

## Notes to the Accounts for the year ended 31 March 2012

<b>13 Tangible fixed assets</b>	<b>Land &amp; buildings</b>	<b>Office equipment</b>	<b>Furniture &amp; fittings</b>	<b>Motor vehicles</b>	<b>Total</b>
	£	£	£	£	£
<b>Cost</b>					
As at 1 April 2011	2,478,903	173,012	15,531	4,456	2,671,902
Disposals	(431,546)	-	-	(4,456)	(436,002)
As at 31 March 2012	<u>2,047,357</u>	<u>173,012</u>	<u>15,531</u>	<u>-</u>	<u>2,235,900</u>
<b>Depreciation</b>					
As at 1 April 2011	311,668	173,012	15,531	4,456	504,667
Charge for the year	33,166	-	-	-	33,166
Disposals	(45,903)	-	-	(4,456)	(50,359)
As at 31 March 2012	<u>298,931</u>	<u>173,012</u>	<u>15,531</u>	<u>-</u>	<u>487,474</u>
<b>Net book value</b>					
As at 31 March 2012	<u>1,748,426</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,748,426</u>
As at 31 March 2011	<u>2,167,235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,167,235</u>
<b>14 Debtors: amounts falling due within one year</b>				<b>2012</b>	<b>2011</b>
				£	£
Operating debtors				15,065	115,515
Prepayments				5,912	12,910
Accrued Income				47,698	266,799
				<u>68,675</u>	<u>395,224</u>
<b>15 Bank and cash in hand</b>				<b>2012</b>	<b>2011</b>
				£	£
Bank deposit accounts				5,750	5,707
Bank current account				111,708	31,390
Petty cash				951	2,994
				<u>118,409</u>	<u>40,091</u>
<b>16 Creditors: amounts falling due within one year</b>				<b>2012</b>	<b>2011</b>
				£	£
Operating creditors				35,442	165,158
Credit card				587	3,159
VAT liability				(5,450)	9,155
Payroll & taxation				5,937	7,876
Pension payments due				720	2,777
Accruals				28,936	272,848
Deferred income				33,688	11,001
Operating loans				-	7,347
Property mortgages				43,402	28,530
				<u>143,262</u>	<u>507,851</u>
<b>17 Creditors: amounts falling due after one year</b>				<b>2012</b>	<b>2011</b>
				£	£
Operating loans				-	39,557
Property mortgages				561,149	881,795
				<u>561,149</u>	<u>921,352</u>



# Pecan

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

## Notes to the Accounts for the year ended 31 March 2012

18 Maturity of debt	2012	2011
	£	£
Amount falling due:		
In one year or less	43,402	35,877
Between one and two years	44,904	67,125
Between two and five years	144,428	213,840
In five years or more	371,818	640,387
	<u>604,551</u>	<u>957,229</u>

There are two mortgages which are secured by floating charges over 71-73 County Street, London SE1 and 121 Peckham High Street, London SE15. The mortgage secured on 93 Camberwell Station Road, London SE5 was repaid during the year. The two loans are repayable by 11 September 2023. Interest is charged at variable rates (currently 1.75%).

19 Designated funds	Opening balance	Resources arising	Resources utilised	Closing balance
	£	£	£	£
Fixed asset fund	1,026,149	-	61,673	964,476
	<u>1,026,149</u>	<u>-</u>	<u>61,673</u>	<u>964,476</u>

<b>Fixed asset fund</b>	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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20 Restricted funds	Opening balance	Incoming resources	Resources expended	Transfers & adjustments	Closing balance
	£	£	£	£	£
Central & community development	-	47,000	32,117	(3,221)	11,662
Employability	-	89,043	82,997	(6,046)	-
Youth & ex-offenders	-	24,000	27,682	3,682	-
	<u>-</u>	<u>160,043</u>	<u>142,797</u>	<u>(5,585)</u>	<u>11,662</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.

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

21 Net assets attributable to funds	General funds	Designated funds	Restricted funds	Endowment funds	Total
	£	£	£	£	£
Tangible fixed assets	604,551	964,476	-	179,399	1,748,426
Current assets	124,725	-	62,359	-	187,084
Current liabilities	(92,565)	-	(50,697)	-	(143,262)
Long term liabilities	(561,149)	-	-	-	(561,149)
Net assets represented by funds	<u>75,562</u>	<u>964,476</u>	<u>11,662</u>	<u>179,399</u>	<u>1,231,099</u>

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# Pecan

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

## Notes to the Accounts for the year ended 31 March 2012

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### 22 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.

### 23 Post balance sheet events

There were no significant post balance sheet events.

### 24 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:

	2012	2011
	£ 720	£ 2,777
	<u>720</u>	<u>2,777</u>

### 25 Other financial commitments

#### Operating lease commitments due within 12 months

At 31 March 2012, the company had annual commitments for office equipment under a non-cancellable operating lease as detailed below:

	2012	2011
	£	£
Between two and five years	3,081	3,081
	<u>3,081</u>	<u>3,081</u>

### 26 Transactions with trustees

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

### 27 Contingent liabilities

The charity had no material contingent liabilities at 31 March 2012 nor at 31 March 2011.

### 28 Related parties

There were no disclosable related party transactions during the year.

### 29 Gifts in kind and volunteers

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

### 30 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.