

*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 2013**

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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 2013

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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.

**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:** Olufemi Adesanya  
Aderemi Okeshola  
John Willis  
Eelco Wiersma

**Chair:** Eelco Wiersma  
**Vice chair:** Aderemi Okeshola  
**Secretary:** Mark Trigg  
**Senior Management:** Chris Price - Executive Director

**Senior Statutory Auditor:** **Anthony Armstrong FCA**  
**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** **Triodos Bank NV**  
United Kingdom House  
180 Oxford Street  
London W1D 1EA  
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 2013

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The Trustees of Pecan present their report together with the financial statements for the year ended 31 March 2013.

### 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, people from disadvantaged communities and ex-offenders.

### 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 charitable 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 charitable 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.

### 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') are 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 objects, the charity works in partnership with many local, national and international organisations and government agencies whilst retaining a prime focus on its 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 2013

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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 24 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.

A further objective for the last year was to develop our current contracts to enable them to perform well during their lifetimes and to identify ways in which Pecan can secure further funding to support our community going forward.

#### Progress towards objectives

In the year under review Pecan continued to be a sub-contractor for the National Careers Service and Southwark Works employment support programmes. Both of these contracts grew in value during the year and exceeded their targets. They have supported people across the borough to bring out their skills so that they can seek appropriate employment.

The Peckham Foodbank grew in size and influence over the year, so much so that we changed the name to Southwark Foodbank to reflect the growing need to support people across the borough. The amount of food needed to support the project doubled this year, which took an amazing feat of organisation and hard work from our team of volunteers. The support of the local churches in delivering this project hosted on their behalf has been of great benefit in meeting the needs of people using the Foodbank. An important element of the development of the Foodbank has been to not just concentrate on collecting and distributing food, but to help people to address the causes of their need for using a Foodbank. More and more we learnt that this was not down to poor money management, but to the fact that prices are rising and benefits and wages are stagnant at the best.

During the year, two projects moved from a status of being in planning to delivery. These were Moving On, which supports young female ex-offenders and Ignition, where we are sharing our employment preparation materials with churches so they can support people in their neighbourhood to secure employment.

Moving On, a mentoring project funded by the Big Lottery Fund has made a very successful start. The aim is to help young women on release from prison to find new ways to make decisions and to avoid the habits that had led them to being given a prison sentence. The project team were established and trained in September, the largest recruitment process (10 staff) that Pecan has under taken for many years. They have started to engaged with 50 young women, many of whom, following release from prison, are already showing progress in making more sustainable choices.

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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 2013

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Ignition has been a new expression of Pecan interacting with Churches. Early in the year we were able to pull together Pecan's Employment Preparation Course and turn it into a seven session programme that can be delivered by volunteers in a church setting. Twelve volunteers have been trained to deliver the course and there is a growing level of interest in London and the South East from churches and a prison. For Pecan this project is a significant way that we can support local churches to serve their community. We are passionate to get information and resources out into the community rather than hoarding it and keeping it all to ourselves.

In September Pecan took over the management of the Southwark HOurbank, a project previously managed by Peckham Settlement. The project has enabled Pecan to reach further into the local community and provide a service where interacting with and supporting each other is the heart of what happens.

HOurbank works by enabling people to share time, a commodity that is in short supply in London, or so it would seem. By putting an equal value on all skills people are able to meet each other on a level platform. We have people sharing skills such as computer, sewing and gardening knowhow alongside people who have time to give to organise events and provide refreshments. For many members this project has brought them out of isolation, not through receiving help but by being an equal member.

With the growth of the Foodbank and Moving On project, members of the Pecan team have appeared on ITV and BBC TV news, LBC and BBC London Radio as well as featured in a number of local and national newspapers and magazines. We have hosted visits from the London Assembly, Councillors and MPs. We have used these opportunities to share the issues of the inequality faced by our service users and to help move the discussion on to what can be done to empower people rather than be reliant on hand outs. To challenge inequality and injustice we need to work with other stakeholders including the media, politicians, the voluntary sector and others. We take the approach that together we can do more for those most at risk of being marginalised.

Moving into 2013 – 14, Pecan's objective is to continue to grow as a sustainable organisation that is relevant to our community and stakeholders. Our aim is to seek new funding models for projects that have more than one funder and have a mix of earned income and raised income from both statutory and voluntary funders.

### Who uses our services

During the year 2012-13 Pecan has continued to work alongside groups of people who are considered to be in need or hard to reach such as; 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. 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, 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. 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, ex-offenders and those on low incomes 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 intend to ensure requirements or conditions do not unfairly or unjustifiably limit access to services, jobs, or volunteering opportunities.

### Volunteering

Volunteers continue to provide an essential contribution to 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, in terms of frontline contact with clients, delivering Foodbank and support us in helping with 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 78 volunteers working with the charity during the year in the following main categories:

Foodbank	13
Foodbank Weekend collections	40
Information, Advice & Guidance	6
Ignition	3
Central / General Support	16
TOTAL	78

# Pecan

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

## Trustees' Report, incorporating the Directors' Report for the year ended 31 March 2013

### Achievement and performance

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

Projects	Number of Clients Supported		
	2010-11	2011-12	2012-13
Information Advice & Guidance – Southwark Works (clients accessing the service)	160	170	144
Information Advice & Guidance - National Careers Service (clients accessing the service)	585	575	1954
Foodbank (people fed)	1159	1507	3308
Moving On (Female ex-offenders)	n/a	n/a	50
HOurbank (active members)	n/a	n/a	138
Ignition (people trained and participants)	n/a	n/a	49
Move On (Ex-offenders project participants)	82	n/a	n/a
Engage & Get On (Refugees & Asylum Seekers ESOL course participants)	78	n/a	n/a
Train to Gain (Literacy support participants)	28	n/a	n/a
Connect (Young People – Not in Education, Employment & Training)	189	n/a	n/a
<b>Total Number of Clients Supported:</b>	<b>2,281</b>	<b>2,252</b>	<b>5,643</b>

### Fundraising performance

During the year 2012 - 13, Pecan renewed contracts to deliver Information, Advice & Guidance (IAG) under National Careers Service as a sub-contractor of Prospects. We also secured an additional year's funding from Southwark Council to deliver IAG as part of the Southwark Works partnership. In September Pecan took over the management of Southwark HOurbank when Peckham Settlement went into receivership. The project is funded by the London Borough of Southwark Community Capacity Fund.

We received trust funding and voluntary donations towards our Foodbank and general expenditure including over £7,000 raised by Barry Evans and Tim Armstrong by completing the London Marathon. Also we were funded by two trusts to develop our employment preparation project which is now called Ignition.

During this year we started our new ex-offenders mentoring project called Moving On. This project is funded through the Big Lottery Fund for three years from July 2012.

With the new projects coming on board, an increase in voluntary income and a rationalisation of expenses during the year, Pecan has been able to report a slight surplus in operational performance. Last year this was only possible with the sale of our building in Camberwell. This is a welcome turn in the right direction for the organisation. We do need to always remember that as most of our income is through grants, contracts and donations we are always going to be experiencing a tight financial situation.

### 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 £7,621 and reserves of £1,238,720.

#### 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 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.

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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 2013

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#### Plans for future periods

This has been a more positive year for Pecan compared to recent times. As an organisation we have grown in security, stability and size. Our financial situation has settled down, partly thanks to the sale of 93 Camberwell Station Road but also through renegotiating a number of supplier contracts and an increase in our activity.

We took the line that to get ourselves out of a difficult financial situation we needed to grow the organisation rather than shrink. To this effect we have managed to change the shape of the organisation, with the growth of current contracts and the introduction of new services; we have improved income generation, stability and increased impact.

Over the past year we have had a strong sense of stability. No members of the staff team left during the year, which is a great boost to morale especially during a year when we grew the staff team by over 150%. The main growth has been the introduction of the Moving On team and the doubling in staff for the National Careers Service. This has created a new dynamic in the organisation and with the spreading of the income sources it means that we have a more stable funding base which has encouraged further growth.

Pecan is a community organisation set up on behalf of local Churches. As we move forward, our aim is to stay relevant to the communities that we are serving. Our work is now falling under three key themes Community, Resettlement and Employment. Over the coming years we will be seeking to establish and expand sustainable provision that falls under these themes. Rather than trying to deliver everything, we believe in working in partnership with other organisations who are experts in their field. This enables people to get the quality of service they need. We believe that providing a strong quality of service is far better for people than providing a large quantity of low impact services. Therefore as we will continue to develop, our focus will be on the impact we make rather than seeking large numbers.

Locally we aim to support people in Peckham and Southwark with services that focus on people in need. This can be through community provision, employment training and personal development.

Community provision is not about doing to, but doing with. The HOurbank is a key example of this work. Here we are able to facilitate the opportunity for people to work together and support each other with tasks and events. The more members of a community can support each other the more a community comes together and has a shared identity and belief in the area and each other. Going forward we will continue to explore ways of growing this style of how people share time in the community.

Southwark Foodbank, in partnership with the Trussell Trust and local churches, is a local community provision that has grown. A growth that is quite sad, as it means that more and more people are struggling to put food on the family table. As well as a rapid rise in numbers, our growth here is focused on delivering a quality service that enables people to move on from their situation, rather than becoming reliant on food banks and other hand-outs. Pecan cannot change the system that requires/causes foodbanks to be needed in Britain, on its own. We will continue to work with other organisations, the media and politicians to highlight the issues and put pressure on the systems that are causing this level of hardship.

Employment training and personal development is the foundation of Pecan; for 24 years this has been at the heart of our outreach. The continuation of training and employment focused services is vital for Pecan. Over time the model of this will change as the needs of communities and people changes. Together with an ever increasing need for Information Advice and Guidance services, we are seeking to set up projects following a social enterprise model. These for us will generate an income for us as well as provide people with opportunities to train and experience employment. Our aim for these new enterprises is to be financially viable through trading and training. The shape and service delivered will be based on commercial viability and match to the ethos of the organisation.

Through the development of Ignition and Moving on we recognise that our remit is not just to our local community but to a wider constituency. Through Ignition we will continue to work with churches across London and a wider area to envision and provide practical support so that they can support local people and congregations to move towards employment.

Moving On is now the focus of our resettlement work, across 15 London boroughs we provide mentoring support to young female ex-offenders. This is a service developing an increasingly strong reputation with probation and prison services for making a significant difference in the lives of young women. Our aim going forward is to keep developing the quality and scope of the project so that more women with criminal records are given this style of support. Our vision is that all women with criminal records will be supported to make more sustainable choices in life.

#### 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 2013 and for future years. The charitable company is required to be audited under charities legislation for the year ended 31st March 2013.

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 4 December 2013 and signed on its behalf by:



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 2013

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### Statement of trustees' responsibilities

The trustees (who are the directors of the charity for the purpose of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these 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 of which the charitable company's auditor is unaware, and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is 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 2013 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 2013 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.

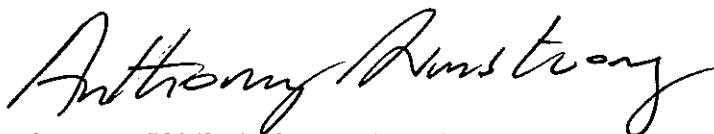
### Opinion on other matter prescribed by the Companies Act 2006

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 FCA (Senior Statutory Auditor)**  
Armstrong & Co  
Chartered Accountants & Statutory Auditors  
4 December 2013

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 2013

		2013			2012
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	Notes	£	£	£	£
<b>Incoming resources</b>					
Voluntary income	4	56,591	500	-	57,091
Activities for generating funds	5	19,016	-	-	19,016
Investment income	6	50	-	-	50
Incoming resources from charitable activities	7	206,118	297,346	-	503,464
Other incoming resources	8	-	-	-	-
<b>Total incoming resources</b>		<b>281,775</b>	<b>297,846</b>	<b>-</b>	<b>579,621</b>
<b>Resources expended</b>					
Charitable activities	9	279,149	279,320	-	558,469
Governance costs	11	4,474	4,600	-	9,074
Endowment expenses	12	-	-	4,457	4,457
<b>Total resources expended</b>		<b>283,623</b>	<b>283,920</b>	<b>4,457</b>	<b>572,000</b>
<b>Surplus/(deficit) on ordinary activities before funds transfers</b>		<b>(1,848)</b>	<b>13,926</b>	<b>(4,457)</b>	<b>7,621</b>
<b>Gross transfers between funds</b>					
General to restricted	21	(121)	121	-	-
<b>Net income/(expenditure) for the year</b>		<b>(1,969)</b>	<b>14,047</b>	<b>(4,457)</b>	<b>7,621</b>
<b>Total funds brought forward</b>		<b>1,040,038</b>	<b>11,662</b>	<b>179,399</b>	<b>1,231,099</b>
<b>Total funds carried forward</b>		<b>1,038,069</b>	<b>25,709</b>	<b>174,942</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 2013

	Notes	31 March 2013		31 March 2012	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	14		1,714,866		1,748,426
<b>Current assets</b>					
Debtors	15	54,538		68,675	
Cash at bank and in hand	16	<u>162,103</u>		<u>118,409</u>	
		216,641		187,084	
<b>Creditors: amounts falling due within one year</b>	17	<u>176,541</u>		<u>143,262</u>	
<b>Net current assets</b>			40,100		43,822
<b>Total assets less current liabilities</b>			<u>1,754,966</u>		<u>1,792,248</u>
<b>Creditors: amounts falling due after one year</b>	18		516,246		561,149
<b>Net assets</b>			<u>1,238,720</u>		<u>1,231,099</u>
<b>Funds</b>					
General funds		59,296		75,562	
Designated funds	20	<u>978,773</u>		<u>964,476</u>	
Total unrestricted funds			1,038,069		1,040,038
Restricted funds	21		25,709		11,662
Endowment funds			174,942		179,399
<b>Total funds</b>	22		<u>1,238,720</u>		<u>1,231,099</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 4 December 2013 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 2013

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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 2013

3 Net incoming resources	2013	2012
<i>Net incoming resources are stated after charging:</i>	£	£
Auditors fees - audit services	3,000	3,000
Auditors fees - other services	1,000	1,000
Depreciation - owned assets	33,560	33,166

### Trustees' emoluments

-	-
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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.

### Expenditure areas in accounts

Name	Projects at Pecan
Central	Donations, fundraising, rental & investment income etc.
Community Development	Ignition, Foodbank and Hourbank.
Employability	National Careers Service, Southwark Works.
Basic skills	None.
Youth & Ex-offending	Moving On.

4 Voluntary income	Unrestricted	Restricted	2013 Total	2012 Total
	£	£	£	£
Donations & gifts	53,839	500	54,339	73,642
Tax reclaimed	2,752	-	2,752	2,974
	<u>56,591</u>	<u>500</u>	<u>57,091</u>	<u>76,616</u>

5 Activities for generating funds	Unrestricted	Restricted	2013 Total	2012 Total
	£	£	£	£
Rental income	19,016	-	19,016	18,850
	<u>19,016</u>	<u>-</u>	<u>19,016</u>	<u>18,850</u>

6 Investment income	Unrestricted	Restricted	2013 Total	2012 Total
	£	£	£	£
Bank interest	50	-	50	42
	<u>50</u>	<u>-</u>	<u>50</u>	<u>42</u>

7 Incoming resources from charitable activities	Unrestricted	Restricted	2013 Total	2012 Total
	£	£	£	£
Contract income	206,118	297,346	503,464	363,967
	<u>206,118</u>	<u>297,346</u>	<u>503,464</u>	<u>363,967</u>

8 Other incoming resources	Unrestricted	Restricted	2013 Total	2012 Total
	£	£	£	£
Sundry income	-	-	-	11,348
Surplus on disposal of fixed assets	-	-	-	193,763
	<u>-</u>	<u>-</u>	<u>-</u>	<u>205,111</u>

# Pecan

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

## Notes to the Accounts for the year ended 31 March 2013

9 Charitable activities	Direct project costs	Human Resources	Premises	Support	2013 Total	2012 Total
	£	£	£	£	£	£
Central	82	53,749	17,481	17,577	88,889	245,160
Community Development	2,401	18,953	199	16,109	37,662	20,790
Employability	4,092	248,693	383	13,536	266,704	218,214
Basic Skills	-	-	-	51	51	74,487
Youth & ex-offenders	12,435	113,109	9,271	30,348	165,163	30,469
	<u>19,010</u>	<u>434,504</u>	<u>27,334</u>	<u>77,621</u>	<u>558,469</u>	<u>589,120</u>

10 Analysis of Support costs	Overheads	Management services	IT support	Fundraising	2013 Total	2012 Total
	£	£	£	£	£	£
Central	11,312	4,787	1,463	15	17,577	75,457
Community Development	1,520	12,632	1,375	582	16,109	10,228
Employability	523	7,127	5,886	-	13,536	14,076
Basic Skills	-	51	-	-	51	7,456
Youth & ex-offenders	11,682	13,210	4,553	903	30,348	28,069
	<u>25,037</u>	<u>37,807</u>	<u>13,277</u>	<u>1,500</u>	<u>77,621</u>	<u>135,286</u>

11 Governance costs	Unrestricted	Restricted	2013 Total	2012 Total
	£	£	£	£
Board meetings	303	-	303	2,231
Audit fees	900	3,600	4,500	1,600
Legal	3,271	1,000	4,271	9,426
	<u>4,474</u>	<u>4,600</u>	<u>9,074</u>	<u>13,257</u>

12 Endowment expenses	2013 Total	2012 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.

13 Staff costs	2013	2012
	£	£
Staff salaries	341,177	261,600
Staff social security	29,693	21,737
Staff pensions	11,705	8,933
	<u>382,575</u>	<u>292,270</u>

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

Employees	Direct	FTE	2013	FTE	2012
			Total £		Total £
		10	216,132	5	141,593
	Support	3	125,045	3	120,007
	Total	<u>13</u>	<u>341,177</u>	<u>8</u>	<u>261,600</u>
Number of employees at end of period:	Full-time	9		5	
	Part-time	<u>14</u>		<u>4</u>	

No remuneration was paid to any Trustee or their associates for services as a trustee during the year ended 31 March 2013 nor to 31 March 2012.

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 2013

14 Tangible fixed assets	Land & buildings £	Office equipment £	Furniture & fittings £	Motor vehicles £	Total £
<b>Cost</b>					
As at 1 April 2012	2,047,357	173,012	15,531	-	2,235,900
As at 31 March 2013	<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 2012	298,931	173,012	15,531	-	487,474
Charge for the year	33,560	-	-	-	33,560
As at 31 March 2013	<u>332,491</u>	<u>173,012</u>	<u>15,531</u>	<u>-</u>	<u>521,034</u>
<b>Net book value</b>					
As at 31 March 2013	<u>1,714,866</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,714,866</u>
As at 31 March 2012	<u>1,748,426</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,748,426</u>
<b>15 Debtors: amounts falling due within one year</b>				<b>2013</b>	<b>2012</b>
				£	£
Operating debtors				28,081	15,065
Prepayments				-	5,912
Accrued Income				26,457	47,698
				<u>54,538</u>	<u>68,675</u>
<b>16 Bank and cash in hand</b>				<b>2013</b>	<b>2012</b>
				£	£
Bank deposit accounts				80,800	5,750
Bank current account				81,218	111,708
Petty cash				85	951
				<u>162,103</u>	<u>118,409</u>
<b>17 Creditors: amounts falling due within one year</b>				<b>2013</b>	<b>2012</b>
				£	£
Operating creditors				43,604	35,442
Credit card				422	587
Deposit held				50,000	-
VAT liability				23,326	(5,450)
Payroll & taxation				9,176	5,937
Pension payments due				407	720
Accruals				4,702	28,936
Deferred income				-	33,688
Property mortgages				44,904	43,402
				<u>176,541</u>	<u>143,262</u>
<b>18 Creditors: amounts falling due after one year</b>				<b>2013</b>	<b>2012</b>
				£	£
Property mortgages				516,246	561,149
				<u>516,246</u>	<u>561,149</u>



# Pecan

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

## Notes to the Accounts for the year ended 31 March 2013

19 Maturity of debt	2013	2012
	£	£
Amount falling due:		
In one year or less	44,904	43,402
Between one and two years	46,474	44,904
Between two and five years	149,589	144,428
In five years or more	320,182	371,818
	<u>561,150</u>	<u>604,552</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 and are repayable by 11 September 2023. Interest is charged at variable rates (currently 1.75%).

20 Designated funds	Opening balance	Resources arising	Resources utilised	Closing balance
	£	£	£	£
Fixed asset fund	964,476	14,297	-	978,773
	<u>964,476</u>	<u>14,297</u>	<u>-</u>	<u>978,773</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
	£	£	£	£	£
Basic Skills	-	(70)	51	121	-
Community development	11,662	25,496	23,484	-	13,674
Employability	-	94,216	91,221	-	2,995
Youth & ex-offenders	-	178,204	169,163	-	9,041
	<u>11,662</u>	<u>297,846</u>	<u>283,920</u>	<u>121</u>	<u>25,709</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.

Basic Skills	Funding designated for use in teaching English for Speakers of Other Languages (ESOL) courses.
Community development	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	561,151	978,773	-	174,942	1,714,866
Current assets	164,209	-	52,432	-	216,641
Current liabilities	(149,818)	-	(26,723)	-	(176,541)
Long term liabilities	(516,246)	-	-	-	(516,246)
Net assets represented by funds	<u>59,296</u>	<u>978,773</u>	<u>25,709</u>	<u>174,942</u>	<u>1,238,720</u>

### 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.

# Pecan

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

## Notes to the Accounts for the year ended 31 March 2013

### 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:	£	2013 407	£	2012 720
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### 26 Other financial commitments

#### Operating lease commitments due within 12 months

At 31 March 2013, the company had annual commitments for office equipment under a non-cancellable operating lease as detailed below:

	2013 £	2012 £
Between two and five years	3,081	3,081
	<u>3,081</u>	<u>3,081</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 2013 nor at 31 March 2012.

### 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 Major funders

<i>Funder</i>	<i>Project Name</i>	£	171,051
Big lottery fund	Moving on		

Big Lottery Fund (also known as BIG) is a non-departmental public body responsible for distributing funds raised by the National Lottery for "good causes". It is sponsored by the Cabinet Office. Pecan receives money in the form of a three year restricted fund grant from BIG to run the Moving On project for women leaving custody. This is a mentoring project to help young women resettle in the community.

During the year the charity received following grants from other trusts/organisations:

<i>Funder</i>	<i>Project name / Purpose of</i>	£	
The Jerusalem Trust	Ignition project	30,000	over 2 years
Tear fund	Ignition project	31,000	over 3 years
The 29th May 1961 Charitable Trust	Organisation activities	5,000	
The Morel Trust	Organisation activities	1,000	
The 1772 Charity	Organisation activities	1,000	
St Mark's Kennington	Organisation activities	1,000	
The Coutts Charitable Trust	Organisation activities	1,000	
Tay Charitable Trust	Organisation activities	<u>1,000</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.