

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 2014

Pecan

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

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Charity Information for the year ended 31 March 2014

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
Principal and registered office:	121A Peckham High Street Peckham London SE15 5SE
Trustees who held office during the year:	Eelco Wiersma Aderemi Okeshola Olufemi Adesanya - Resigned 16 April 2013 John Willis Dawn Jones - Appointed 16 April 2013, resigned 10 September 2013 Anne Marie Yiannis - Appointed 16 April 2013 Paul Jones - Appointed 16 April 2013
Chair:	Eelco Wiersma
Vice chair:	Aderemi Okeshola
Secretary:	Mark Trigg - Resigned 4 December 2013 Chris Price - Appointed 4 December 2013
Senior Management:	Chris Price - Executive Director
Senior Statutory Auditor:	Anthony Armstrong FCA Armstrong & Co <i>Chartered Accountants & Statutory Auditors</i> 4a Printing House Yard Hackney Road London E2 7PR
Solicitors:	Grant Saw 110-114 Norman Road Greenwich London SE10 9EH
Bankers:	Barclays Bank plc United Kingdom House 180 Oxford Street London W1D 1EA CCLA Senator House 85 Victoria Street London EC4V 4ET

Pecan

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

Trustees' Report, incorporating the Directors' Report for the year ended 31 March 2014

The Trustees of Pecan present their report together with the financial statements for the year ended 31 March 2014.

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

- a. Membership will be open to all churches that can sign and continue to affirm the Churches Together Statement of Faith and whose principal place of worship is situated in Peckham and/or the London Borough of Southwark
- b. Once accepted for membership a senior church leader ("SCL") from each member church ("Member Church") will be invited to be the representative from their Member Church. They shall be entitled to nominate in writing a different person ("Substitute") from their Member Church to attend meetings and vote on behalf of the Member Church. Neither any SCL nor any Substitute may be employed by Pecan
 - Members will be invited to an annual meeting. The annual meeting must include Pecan's Annual General Meeting
And may include:-
 - A speaker, invited to talk about an area of social action and a Christian response
 - A forum session to discuss Christian social action in Southwark

The members of the company act as guarantors to the liability of £1 each.

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. Ellis Whittam PLC have been employed to manage health and safety on behalf of Pecan.

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Trustees' Report, incorporating the Directors' Report for the year ended 31 March 2014

Objectives and Activities

Pecan's Charitable Objects

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

- (a) To advance the Christian religion.
- (b) 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.
- (c) The relief of poverty in particular among unemployed people.
- (d) 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.

Progress towards objectives

In the year under review Pecan continued to be a sub-contractor for the National Careers Service the contract grew in value during the year and exceeded targets. Our employment support work with Southwark Works changed in October with a new tendering and contracting process. We were successful in securing a contract for working with ex-offenders and were offered a further contract to continue work with the Housing Option team at Southwark Council. Sadly this led to a reduction in the staff team and Christina Akpowowo who had been with Pecan for over 10 years chose to take redundancy. The projects in their new forms continue to support people across the borough to bring out their skills so that they can seek appropriate employment.

Southwark Foodbank has continued to grow. This year saw an increase from 3,308 people being fed to 4,505 in the last year. We distributed over 25 tonnes of food in this process. To meet the growing need of people in short term hunger crisis, we have employed a team of three staff and purchased a van to support and develop the volunteers. During the year the service was operated out of 5 Welcome Centres; Kingswood Community Shop, Victory House Church, Bermondsey Methodist Central Hall, City Hope Church and at our premises in Peckham High Street.

Pecan's Moving On, a mentoring project funded by the Big Lottery Fund, has grown in size and reputation. Project Manager Andrea Farley Moore was asked to sit on review panels at the Home Office and the project was promoted at an event at the Houses of Parliament which was addressed by the former government minister Jonathan Aitken and Julia Gillick the Governor of Holloway Prison. The Centre for Social Justice launched a report in April 2014 called Meaningful Mentoring (<http://www.centreforsocialjustice.org.uk/publications/meaningful-mentoring>) where Pecan was referred to as a 'The most impressive women's mentoring organisation'. The aim of the project 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. During the year they recruited 49 women into the project. Many of these have seen a significant change in their outlook in life with only 16% returning to prison compared with the national average for women in the same age group of nearly 70%.

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Ignition is an expression of Pecan interacting with Churches. This is an Employment Preparation Course that can be delivered by volunteers in a church setting. During the year we teamed up with Jericho Foundation in Birmingham to share resources and develop a joint course and job club option for churches. Our partnership has been backed by the Cinnamon Network, who have funded the realigning of the two separate projects into a joint venture. They are also offering funding to churches looking to take on Ignition as a social franchise. During the year the project has trained 84 people who have delivered 71 sessions to people seeking employment. This has included a number of sessions being delivered in HMP Brixton in partnership with the Chaplaincy team.

Southwark HOurBank is a real oasis of hope in the community. It 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 computing, sewing and gardening knowhow alongside people who have time to give to organise events and provide refreshments. For many members of this project it has brought them out of isolation, not through receiving help but by being an equal member. During the year we have exchanged 1,269 hours including; cycle repairs, design work, companionship, envelope stuffing, film making, massage, leafleting, outreach, reiki, room hire, simple decorating, teaching music, mentoring, photography and sewing. In looking to reduce isolation the HOurBank also coproduced with it's members 58 events over the year. These included larger Bring and Fix events where members helped to fix local residents stuff, Christmas parties, film screenings as well as regular gardening sessions, coffee mornings and workshops.

During the year media coverage for Pecan has continued at a strong pace mainly through employment support, Foodbank and Moving On. Members of the Pecan team have appeared on TV (ITV and BBC news), or spoken radio (LBC, BBC London and Premier Radio), as well as featured in a number of local, national and international 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.

For the year 2014 – 15 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 more than one source of funding for projects, preferably a mix of earned income and raised income from both statutory and voluntary funders.

Who uses our services

During the year 2013 - 14 Pecan has continued to work alongside groups of people who are considered to be in need or hard to reach. Our main focus has been on ex-offenders, people over 50, those affected by benefit changes, people with social isolation issues and people who are long term unemployed. All services and support is offered to our clients free of charge. Eligibility criteria for clients to come onto our programmes are set out by our funders and vary 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 Borough 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.

Statistics for projects 2013 - 2014

Gender

Male	48%
Female	51%
Not stated	1%
TOTAL	100%

Age

18-24	13%
25-49	52%
50+	22%
Not stated	13%
TOTAL	100%

Employment status

Employed/Self employed	13%
Unemployed	85%
Retired	2%
TOTAL	100%

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Ethnicity

Asian	4%
Black	61%
Other	3%
Mixed	4%
White	28%
TOTAL	100%

* All recorded information Included - where information is unknown this has been removed

* Statistics on children has not been included

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

Foodbank	17
Foodbank Weekend collections	40
Information, Advice & Guidance	3
Ignition	2
Central / General Support	11
TOTAL	73

Achievement and performance

The table below shows how the number of clients accessing our programmes has grown over the last 3 years.

Projects	Number of Clients Supported		
	2011-12	2012-13	2013-14
Information Advice & Guidance – Southwark Works (clients accessing the service)	170	144	220
Information Advice & Guidance - National Careers Service (clients accessing the service)	575	1954	2027
Foodbank (people fed)	1507	3308	4506
Moving On (Female ex-offenders)	n/a	50	74
HOurbank (active members)	n/a	138	142
Ignition (people trained and participants)	n/a	49	242
Total Number of Clients Supported:	2,252	5,643	7,211

Fundraising and facilities performance

During the year 2013 - 14, Pecan renewed contracts to deliver Information, Advice & Guidance (IAG) under National Careers Service as a sub-contractor of Prospects. We also secured an additional 6 month funding from Southwark Council to deliver IAG as part of the Southwark Works partnership, this was followed by two separate contracts for the following 6 months. We were successful with two bids to the London Borough of Southwark Community Capacity Fund for both Southwark Hourbank and Southwark Foodbank. Foodbank was also supported with funding from the councils Emergency Support Scheme. Moving On is funded by the Big Lottery and Ignition is funded through trust funds.

During the year we have continued to work with Felton Fundraising. We have paid £7,191 for their services during the year and for this they have secured for Pecan £59,800.

We received trust funding and voluntary donations towards our Foodbank and general expenditure including over £1,000 raised by volunteer Chris Courtney who completing the London Marathon.

In November 2013 Pecan finally sold our premises in County Street. The sale had taken a long time due to planning issues. It was also beset by issues with squatters, which was finally resolved with a large number of police officers storming the building to remove them. The total cost to Pecan for removing the squatters was almost £25,500. The building was sold for less than the book value. This is reflected in the deficit shown in the Statement of Financial Activities. Although this was not sold as a loss, Pecan had repaid a significant amount of the mortgage so was able to receive a good cash surplus for a premises which over the last three years had been a drain on human and financial resources.

Pecan is now in the fortunate position to own its only building with no mortgage and has a small amount of investment finance.

Investment performance

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

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Financial Review

Results for the year

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

The Statement of Financial Activities shows net outgoing resources for the year of £150,611 and reserves of £1,088,110.

Tangible fixed assets for use by the charity.

Fixed assets are set out in Note 15 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 6 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

Over the past year, Pecan has continued to grow in terms of reputation, reach and financial security. The voluntary sector as a whole continues to be in a time of pressure with more demands on services as the side effects of austerity kick in. Alongside this are the effects of reduced and short term funding. Over the next 18 months a number of our projects will be ending their current funding, some will be able to re-tender for further work, others will need to seek new funding streams. So it is fair to say that while we are in a healthy current situation, we know that there are changes ahead. If we were to set our future plans saying that we were going to keep doing what we are doing, we won't have much of a future! Not only because of the changes in funder needs, but also the needs of the people we are seeking to serve will also develop.

Pecan is now concentrating on three areas of work; Community, Resettlement and Employment. All of our current projects fit under at least one of these headings, others could find a home in two or more. We consider ourselves to be a community organisation working on behalf of the local churches and being a Christian witness in the locality. As we move forward, our aim is to stay relevant to the communities that we are serving. To do this we need to develop our current projects and introduce new services that meet our aims and keep in line with our objectives.

Our local area is important to us. At the Annual General Meeting of 29th April 2014 members voted to change the requirements of membership. The organisation has been opened up to work on behalf of a wider group of churches – those who can affiliate to the Churches Together statement of faith and are based in Southwark. We therefore are seeking to be a practical witness of Christ's love in this and surrounding communities. In doing this we are seeking to build relationships and support people to have confidence in their skills, enabling them to do the things they can do, rather than reminding them of those they cannot do. When we have confidence in ourselves, the things we think we cannot do seem to reduce in number!

As previously mentioned we are seeking to develop our services under three strands. This is to enable us to have focus and to work with other organisations when we realise that projects and support are better provided elsewhere.

Community

Within this area of outreach we are seeking to provide services that help bring people out of isolation and are of benefit to the locality. We are currently delivering two services under this area; Foodbank and Hourbank. Whilst there is still a need for Foodbank we will seek to offer the best quality of service possible. This is a service that no one wants to access, it is a sign that you are not able to feed yourself or your family. We will always aim to give people dignity in our service. We will also look to help people change their situation so they no longer need to be referred, whether this is through referrals to other services or enabling people to access other community food opportunities whilst they get through the issues that have brought them to Foodbank. We will also continue to support the Trussell Trust and others in the campaign to bring an end to the reasons that people are having to turn to foodbanks.

For Hourbank the drivers for people coming to the service are very different to Foodbank. People choose to be members. People choose because they want to give. We want to encourage more people to take part. This can be through the growth of group activities such as the Bring and Fix events, the guarding team or the walking group. It can also be through developing more one to one activities and linking more with the Paxton Green Timebank in the south of the borough and in other boroughs.

Further developments under this area include the establishment of social enterprises. These will have significant cross over with other development areas. The social enterprises will have a strong focus on training as well as providing a service in the community. We are planning for the first social enterprise to be launched in the next financial year.

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Resettlement

For Pecan this relates to people looking to resettle following a time in prison or serving a community service. Our current services that provide this support are Moving On and Southwark Works Empower project.

Empower is proving to be a very successful partnership to support ex-offenders with a strong focus on employment issues. We will seek to develop further opportunities for ex-offenders to find routes into employment through this programme and other new opportunities.

Moving On has become an exemplary project in resettling young women on release from Prison. The funding for this project from the Big Lottery Fund (BLF) comes to an end in 2015. We are now seeking opportunities to extend the funding and new sources of funding. Key areas that we are exploring include the changes in probation service known as 'Transforming Rehabilitation' and the new National Offender management Service (NOMS) sub contracts. Timing for these with the ending of BLF funding will be a key management issue during the coming year. Our aim will be to continue to seek to provide young women with the best opportunities to make sustainable choices on release from prison.

Employment

Following a year of growth and change, Ignition is starting to build a good reputation with churches. Joining with Jericho foundation and becoming part of the Cinnamon Network have been crucial for the success of the project. With more churches coming on board, we are hoping to embed the project in more and more churches who want to work alongside local unemployed people.

The National Careers Service is changing in October 2014. The changes will have a significant impact on the way that Pecan delivers Information, Advice and Guidance service. We are very pleased that Prospects will continue as our prime contractor, we have a good working relationship with them and appreciate their understanding of and commitment to the voluntary and community sector.

Our Southwark Works contract have enabled us to become specialists supporting ex-offenders and people aged over 50 back into employment. We will be developing the quality of this work during the following year and seeking further groups of disenfranchised people in the employment market to provide support.

At Pecan we are exploring how we can build deeper relationships with people to help them secure viable employment. We know that for people to improve their chances, they need to believe in themselves. We are therefore looking at establishing new courses that provide people with time to understand their skills and themselves. Alongside this we will seek opportunities to broker employment trials and opportunities with employers both large and small. Initially the areas of employment that we will seek to support are; care, catering, cleaning, construction and retail as these are the key areas that people approaching Pecan are seeking work.

The three different areas of development at Pecan; Community, Resettlement and Employment are all based on relationships. We believe that it is through relationships that we all grow as people and in our understanding of the world around us. Therefore as we look to develop what we offer in the coming year, we will seek to work within the principle of growing relationships, enabling people to be self-confident and sharing in the community.

Independent Auditors

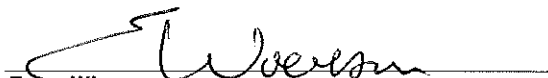
The auditors, Armstrong & Co, have indicated their willingness to be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

Although not required, the trustees have determined that the charitable company be audited under the Companies Act 2006 for the year ended 31st March 2014 and for future years. The charitable company is required to be audited under charities legislation for the year ended 31st March 2014.

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 10.

The financial statements were approved by the Board of Trustees on 24 September 2014 and signed on its behalf by:



Eelco Wiersma
Chair of Trustees

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Statement of Trustees' Responsibilities for the year ended 31 March 2014

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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Independent Auditors' Report to the Members of Pecan

We have audited the financial statements of Pecan for the year ended 31 March 2014 set out on pages 12 to 20. 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 10 the charity's trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of 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 2014 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
24 September 2014

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 2014

		2014			2013
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	Notes	£	£	£	£
Incoming resources					
Voluntary income	4	104,449	26,292	-	130,741
Activities for generating funds	5	46,664	-	-	46,664
Investment income	6	233	-	-	233
Incoming resources from charitable activities	7	165,587	476,855	-	642,442
Other incoming resources	8	15,503	-	-	15,503
Total incoming resources		332,436	503,147	-	835,583
Resources expended					
Charitable activities	9	309,752	485,797	-	795,549
Governance costs	11	8,001	443	-	8,444
Other resources expended	12	135,498	-	42,608	178,106
Endowment expenses	13	-	-	4,095	4,095
Total resources expended		453,251	486,240	46,703	986,194
Surplus/(deficit) on ordinary activities before funds transfers		(120,815)	16,907	(46,703)	(150,611)
Gross transfers between funds					
General to restricted	22	(11,807)	11,807	-	-
Net income/(expenditure) for the year		(132,622)	28,714	(46,703)	(150,611)
Total funds brought forward		1,038,070	25,709	174,942	1,238,721
Total funds carried forward		905,448	54,423	128,239	1,088,110

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 2014

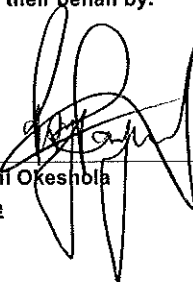
	Notes	31 March 2014		31 March 2013	
		£	£	£	£
Fixed assets					
Tangible fixed assets	15		539,955		1,714,866
Current assets					
Debtors	16	74,351		54,538	
Cash at bank and In hand	17	<u>519,474</u>		<u>162,104</u>	
		593,825		216,642	
Creditors: amounts falling due within one year	18	<u>45,670</u>		<u>176,541</u>	
Net current assets			548,155		40,101
Total assets less current liabilities			<u>1,088,110</u>		<u>1,754,967</u>
Creditors: amounts falling due after one year	19		-		516,246
Net assets			<u>1,088,110</u>		<u>1,238,721</u>
Funds					
General funds		493,732		59,297	
Designated funds	21	<u>411,716</u>		<u>978,773</u>	
Total unrestricted funds			905,448		1,038,070
Restricted funds	22		54,423		25,709
Endowment funds			128,239		174,942
Total funds	23		<u>1,088,110</u>		<u>1,238,721</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 24 September 2014 and signed on their behalf by:



Eelco Wiersma
Trustee



Aderemi Okesola
Trustee

The notes on pages 14 to 20 form part of these accounts.

Pecan

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

Accounting Policies for the year ended 31 March 2014

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.

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 2014

3 Net outgoing resources	2014	2013
<i>Net outgoing resources are stated after charging:</i>	£	£
Auditors fees - audit services	3,000	3,000
Auditors fees - other services	3,100	1,000
Depreciation - owned assets	25,948	33,560
Trustees' emoluments	-	-

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

APB Ethical Standard - Provisions available for small entities

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

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.
Resettlement	Moving On.

4 Voluntary income	Unrestricted	Restricted	2014 Total	2013 Total
	£	£	£	£
Donations & gifts	103,030	26,292	129,322	54,340
Tax reclaimed	1,419	-	1,419	2,752
	<u>104,449</u>	<u>26,292</u>	<u>130,741</u>	<u>57,092</u>

5 Activities for generating funds	Unrestricted	Restricted	2014 Total	2013 Total
	£	£	£	£
Rental income	46,664	-	46,664	19,016
	<u>46,664</u>	<u>-</u>	<u>46,664</u>	<u>19,016</u>

6 Investment income	Unrestricted	Restricted	2014 Total	2013 Total
	£	£	£	£
Bank Interest	233	-	233	50
	<u>233</u>	<u>-</u>	<u>233</u>	<u>50</u>

7 Incoming resources from charitable activities	Unrestricted	Restricted	2014 Total	2013 Total
	£	£	£	£
Contract income (See note 32)	165,587	476,855	642,442	503,464
	<u>165,587</u>	<u>476,855</u>	<u>642,442</u>	<u>503,464</u>

8 Other incoming resources	Unrestricted	Restricted	2014 Total	2013 Total
	£	£	£	£
VAT refund	15,503	-	15,503	-
	<u>15,503</u>	<u>-</u>	<u>15,503</u>	<u>-</u>

Pecan

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

Notes to the Accounts

for the year ended 31 March 2014

9 Charitable activities	Direct project	Human	Premises	Support	2014	2013
	costs	Resources			Total	Total
	£	£	£	£	£	£
Central	191	121,886	(4,552)	17,738	135,263	88,889
Community Development	7,563	78,437	14,129	12,038	112,167	37,662
Employability	11,199	209,960	22,201	40,794	284,154	266,704
Basic Skills	-	-	-	-	-	51
Resettlement	27,088	180,996	16,516	39,365	263,965	165,163
	<u>46,041</u>	<u>591,279</u>	<u>48,294</u>	<u>109,935</u>	<u>795,549</u>	<u>558,469</u>

10 Analysis of Support costs	Overheads	Management	IT support	Fundraising	2014	2013
		services			Total	Total
	£	£	£	£	£	£
Central	12,846	3,168	1,724	-	17,738	17,577
Community Development	8,748	1,973	856	461	12,038	16,109
Employability	30,370	7,453	2,971	-	40,794	13,536
Basic Skills	-	-	-	-	-	51
Resettlement	26,790	9,499	3,076	-	39,365	30,348
	<u>78,754</u>	<u>22,093</u>	<u>8,627</u>	<u>461</u>	<u>109,935</u>	<u>77,621</u>

11 Governance costs		Unrestricted	Restricted	2014	2013
				Total	Total
		£	£	£	£
Board meetings		591	-	591	303
Audit fees		4,000	-	4,000	4,500
Legal		3,410	443	3,853	4,271
		<u>8,001</u>	<u>443</u>	<u>8,444</u>	<u>9,074</u>

12 Other resources expended		Unrestricted	Endowment	2014	2013
		£	£	Total	Total
		£	£	£	£
Loss on disposal of fixed assets		135,498	42,608	178,106	-
		<u>135,498</u>	<u>42,608</u>	<u>178,106</u>	<u>-</u>

During the year the charity sold one of its properties - 71-73 County Street at a loss of £178,106. Due to this extraordinary loss there was an overall deficit of £150,611 for the year.

13 Endowment expenses		2014	2013
		Total	Total
		£	£
Endowment expenditure		4,095	4,457
		<u>4,095</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. 71-73 County Street was disposed off during the year.

Pecan

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

Notes to the Accounts for the year ended 31 March 2014

14 Staff costs	2014	2013
	£	£
Staff salaries	502,769	341,177
Staff social security	43,354	29,693
Staff pensions	21,503	11,705
	<u>567,627</u>	<u>382,575</u>

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

		2014		2013	
		FTE	Total £	FTE	Total £
Employees	Direct	17	406,074	10	255,599
	Support	4	96,695	3	85,578
	Total	<u>21</u>	<u>502,769</u>	<u>13</u>	<u>341,177</u>
Number of employees at end of period:	Full-time	9		9	
	Part-time	<u>18</u>		<u>14</u>	

No remuneration was paid to any Trustee or their associates for services as a trustee during the year ended 31 March 2014 nor to 31 March 2013.

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

15 Tangible fixed assets	Land & buildings	Office equipment	Furniture & fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
As at 1 April 2013	2,047,357	173,012	15,531	-	2,235,900
Additions	-	5,773	-	2,450	8,223
Disposals	(1,390,459)	-	-	(2,450)	(1,392,909)
As at 31 March 2014	<u>656,898</u>	<u>178,785</u>	<u>15,531</u>	<u>-</u>	<u>851,214</u>
Depreciation					
As at 1 April 2013	332,491	173,012	15,531	-	521,034
Charge for the year	25,317	631	-	-	25,948
Disposals	(235,723)	-	-	-	(235,723)
As at 31 March 2014	<u>122,085</u>	<u>173,643</u>	<u>15,531</u>	<u>-</u>	<u>311,259</u>
Net book value					
As at 31 March 2014	<u>534,813</u>	<u>5,142</u>	<u>-</u>	<u>-</u>	<u>539,955</u>
As at 31 March 2013	<u>1,714,866</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,714,866</u>

16 Debtors: amounts falling due within one year	2014	2013
	£	£
Operating debtors	58,874	28,081
Staff Loans	217	-
Accrued income	15,260	26,457
	<u>74,351</u>	<u>54,538</u>

17 Bank and cash in hand	2014	2013
	£	£
Bank deposit accounts	441,066	80,800
Bank current account	77,354	81,218
Petty cash	1,054	86
	<u>519,474</u>	<u>162,104</u>

Pecan

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

Notes to the Accounts for the year ended 31 March 2014

18 Creditors: amounts falling due within one year	2014	2013
	£	£
Operating creditors	34,788	43,604
Credit card	392	422
Deposit held	-	50,000
VAT liability	621	23,326
Payroll & taxation	347	9,176
Pension payments due	1,966	407
Staff wages	375	-
Accruals	7,181	4,702
Property mortgages	-	44,904
	<u>45,670</u>	<u>176,541</u>

19 Creditors: amounts falling due after one year	2014	2013
	£	£
Property mortgages	-	516,246
	<u>-</u>	<u>516,246</u>

20 Maturity of debt	2014	2013
	£	£
Amount falling due:		
In one year or less	-	44,904
Between one and two years	-	44,904
Between two and five years	-	144,428
In five years or more	-	371,818
	<u>-</u>	<u>606,054</u>

The two mortgages which were secured by floating charges over 71-73 County Street, London SE1 and 121 Peckham High Street, London SE15 have been paid off during the year from funds released from the sale of 71-73 County Street. There are no more mortgages in force.

21 Designated funds	Opening balance	Resources arising	Resources utilised	Closing balance
	£	£	£	£
Fixed asset fund	978,773	-	567,057	411,716
	<u>978,773</u>	<u>-</u>	<u>567,057</u>	<u>411,716</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.
-------------------------	--

22 Restricted funds	Opening balance	Incoming resources	Resources expended	Transfers & adjustments	Closing balance
	£	£	£	£	£
Community development	13,674	140,752	112,171	-	42,255
Employability	2,995	94,860	109,662	11,807	-
Resettlement	9,041	267,535	264,408	-	12,168
	<u>25,709</u>	<u>503,147</u>	<u>486,240</u>	<u>11,807</u>	<u>54,423</u>

Pecan

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

Notes to the Accounts for the year ended 31 March 2014

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.

Community development	Funding designated for work on the Pecan Foodbank, Hourbank and Ignition projects.
Employability	Funding designated for use in providing information advice and guidance (IAG) to clients on incapacity benefit.
Resettlement	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).

23 Net assets attributable to funds	General funds	Designated funds	Restricted funds	Endowment funds	Total
		£	£	£	£
Tangible fixed assets	-	411,716	-	128,239	539,955
Current assets	518,318	-	75,507	-	593,825
Current liabilities	(24,589)	-	(21,081)	-	(45,670)
Net assets represented by funds	<u>493,732</u>	<u>411,716</u>	<u>54,423</u>	<u>128,239</u>	<u>1,088,110</u>

24 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.

25 Post balance sheet events

There were no significant post balance sheet events.

26 Pension commitments

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

The unpaid contributions outstanding at the year end were:		2014	2013
	£	<u>1,966</u>	<u>407</u>

27 Other financial commitments

Operating lease commitments due within 12 months

At 31 March 2014, the company had annual commitments for office equipment under a non-cancellable operating lease as detailed below:

	2014	2013
	£	£
Between two and five years	<u>4,872</u>	<u>3,081</u>
	<u>4,872</u>	<u>3,081</u>

28 Transactions with trustees

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

29 Contingent liabilities

The charity had no material contingent liabilities at 31 March 2014 nor at 31 March 2013.

30 Related parties

There were no disclosable related party transactions during the year.

31 Gifts in kind and volunteers

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

Pecan

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

Notes to the Accounts

for the year ended 31 March 2014

32 Contract income breakdown

	Unrestricted	Restricted	2014
	£	£	£
Food bank	-	47,145	47,145
Hour Bank	-	34,315	34,315
Moving on	-	267,535	267,535
National Career Service	165,587	-	165,587
Southward Works Empower	-	32,860	32,860
Southwark Works	-	62,000	62,000
Ignition	-	33,000	33,000
	<u>165,587</u>	<u>476,855</u>	<u>642,442</u>

33 Major funders

<i>Funder</i>	<i>Project Name</i>	
Big lottery fund	Moving on	£ <u>266,535</u>

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
Lloyds TSB Foundation	Volunteer and HR Manager's salary	£	32,000 over 2 years
Garfield Weston Foundation	Charitable activities	£	25,000
The 29th May 1961 Charitable Trust	Charitable activities	£	5,000
The Goldsmiths Company Charity	Charitable activities	£	5,000
The Bridging Fund Charitable Trust	Charitable activities	£	3,000
The Tisbury Telegraph Trust	Charitable activities	£	2,000
The Anton Jurgens Charitable Trust	Charitable activities	£	2,000
The Barnabas Trust	Charitable activities	£	1,500
The Albert Hunt Trust	Charitable activities	£	1,000
The SMB Trust	Charitable activities	£	1,000
The Most Holy Trinity Church	Southwark Food bank	£	<u>1,195</u>

34 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.