

*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 2016**

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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 2016

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

<b>Charity name:</b>	Pecan	
<b>Company registration number:</b>	2394165 England & Wales	
<b>Charity registration number:</b>	801819	
<b>Principal and registered office:</b>	121A Peckham High Street Peckham London SE15 5SE	
<b>Trustees who held office during the year:</b>	Eelco Wiersma Aderemi Okeshola John Willis Anne Marie Yiannis - Kallika Paul Jones Eleanor Orr Anne Wilde	- Chair (deceased 27th April 2015) - Appointed Chair 9th June 2015  - Resigned 15 February 2016  - Appointed 15 February 2016 - Appointed 15 February 2016
<b>Secretary:</b>	Chris Price	
<b>Senior Management:</b>	Chris Price - Executive Director	
<b>Senior Statutory Auditor:</b>	<b>Anthony Armstrong FCA</b> <b>Armstrong &amp; Co</b> <i>Chartered Accountants &amp; Statutory Auditors</i> 4a Printing House Yard Hackney Road London E2 7PR	
<b>Solicitors:</b>	<b>Grant Saw</b> 110-114 Norman Road Greenwich London SE10 9EH	
<b>Bankers:</b>	<b>Barclays Bank plc</b> United Kingdom House 180 Oxford Street London W1D 1EA  <b>CCLA</b> Senator House 85 Victoria Street London EC4V 4ET	

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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 2016

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The Trustees of Pecan present their report together with the financial statements for the year ended 31 March 2016.

### 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; they 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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# Pecan

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

## Trustees' Report, incorporating the Directors' Report for the year ended 31 March 2016

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### 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. These are 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 being 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 local churches 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 a national level.

Over the last 25 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 committed to the outworking of our vision over the long-term in line with our organisational values:

- **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 and 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 is a key foundation on which all our work is established and is 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

### Uniqueness

Our aim is to seek to serve people in a way that empowers them to gain control of their lives. Our heart continues to be in Peckham with outreach across the borough of Southwark and other communities in our great capital city.

The service people receive at Pecan is important. What is vital, though, is the experience they receive. We aim to meet people at various points in their life, whether they are looking for work, friendship, or support at a time of crisis, and to host a service that meets their needs. The vital part for us is how people are treated because needs can be more than just practical. Our strapline is built on more than the service we offer; it is built on people's experience of Pecan. Our aim is to demonstrate Kindness, Belief and Hope to everyone who comes into contact with Pecan.

#### Kindness

At Pecan, kindness means that people will be treated with honesty, compassion and fairness. It doesn't mean simply telling people what they want to hear; it means helping them to understand what needs to be said. Kindness brings reality to situations, supports people through their trauma on whatever level, and helps them to deal with it. Kindness is keeping with people when times are tough rather than denying the situation.

#### Belief

At Pecan we never stop believing in the potential of every person. Everyone is unique. Everyone is loved. We aim to help people on a journey of self-belief to a place where they can see their value to the community around them. By helping people to see the good in themselves we can help them to achieve in the world.

#### Hope

Through kindness and belief we want Pecan to be an experience that inspires hope in people who use our projects or interact with our volunteers, staff, partners and visitors. It is through having hope that we can all focus on positive next steps in life.

# Pecan

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

## Trustees' Report, incorporating the Directors' Report for the year ended 31 March 2016

### 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 local churches 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 during 2015 - 2016

The Board of Trustees approved a year of inward investment and thus were expecting a deficit budget for the year to be improved on the following year. We however made more of a loss than had been budgeted for. These were due to unforeseen circumstances and these are explained under the projects to follow.

### SE Storehouse

This was our big investment for the year. Using reserves, Pecan decided as part of its 3 year strategy to venture into the world of social enterprise. This was part of a strategy to become more self-sustaining as a charity. To do this we needed a location to launch from, in Southwark these are not easy to find. So with the tenancy of Peckham Old Library in place we decided to forge ahead with the project. Sadly, with the building not coming on stream as expected, this meant that we had to change how we were looking to develop the project. Rather than being a recycling social enterprise that would operate out of the old library we had to look for new options. In October we were offered a pop up shop at 91 Peckham High Street. We took on the premises in time for the Christmas shopping extravaganza! In the shop we were able to sell items on behalf of local makers and artists. We also created our own line of tote and wash bags, some made from recycled coffee sacks.

The shop up to Christmas went very well. After Christmas and to the end of the pop up period it slowed down. This project lost money and added to the more than expected budget deficit. We are now working with consultants funded through the Big Lottery's Big Potential programme to look at the next phase of development.

### Ignition and National Careers Service

Over the year we continued to deliver Ignition in partnership with the Jericho Foundation in Birmingham. Funding has been short and the board made a decision to self-fund and support the project due to it being an outreach to churches to get involved in social action in their communities. This project made up part of the planned budget deficit.

Our National Careers Service, which we run on a sub contract was a different matter. Here we were trying to deliver a government contract that was extremely difficult to manage with permanent staff in place. Thanks to pressure from our prime contractor Prospects, the Skills Funding Agency changed some of the payment points on this payment by results contract. This led to the project no longer losing money month on month, but sadly it didn't turn round enough by the end of the year to be in surplus.

### Moving On

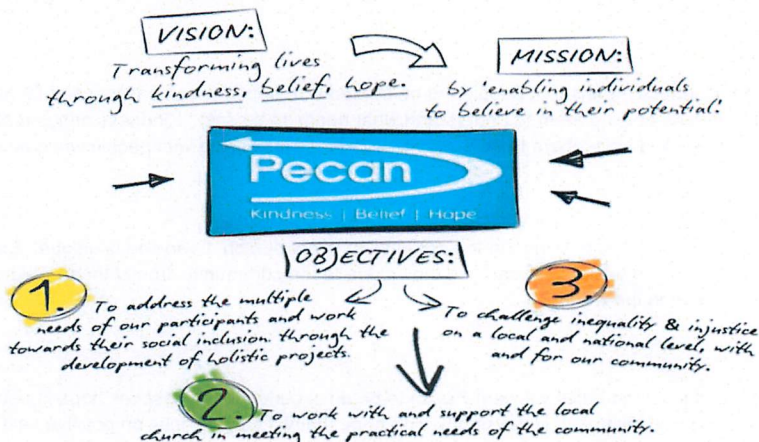
Our 3 year funding from the Big Lottery came to an end in September. We were planning on exiting the project into the new probation service called the London CRC and with funding from the European Social Fund administered under the National Offender Management Service. The timings of these services coming on line were significantly delayed; although we had managed to extend our funding through careful financial management, money ran out on us. Therefore by the end of September we had only secured enough funding to keep the project at 1/5th of its original size. This then had an impact on the support offered across the organisation.

Across these different projects we made a significant loss in our reserves. As an organisation this is being addressed and we are looking now to bring in a balanced account. In doing this we will be able to make the organisation stronger. There are times when you need to prune the grape vine.

### Developments

On a more positive note, we have managed to continue to make an impact on the lives of people in the community. During the year we formally adopted our new vision statement. To ensure that this is more than good words, we have developed a monitoring system that tracks quantities and qualities information to help us to prove that we are meeting what our vision says we are meeting.

The new monitoring tracks and records a series of statistics from each project and results of surveys and tracks these against 6 operational outcomes that all point to the vision as shown in the infographic below.

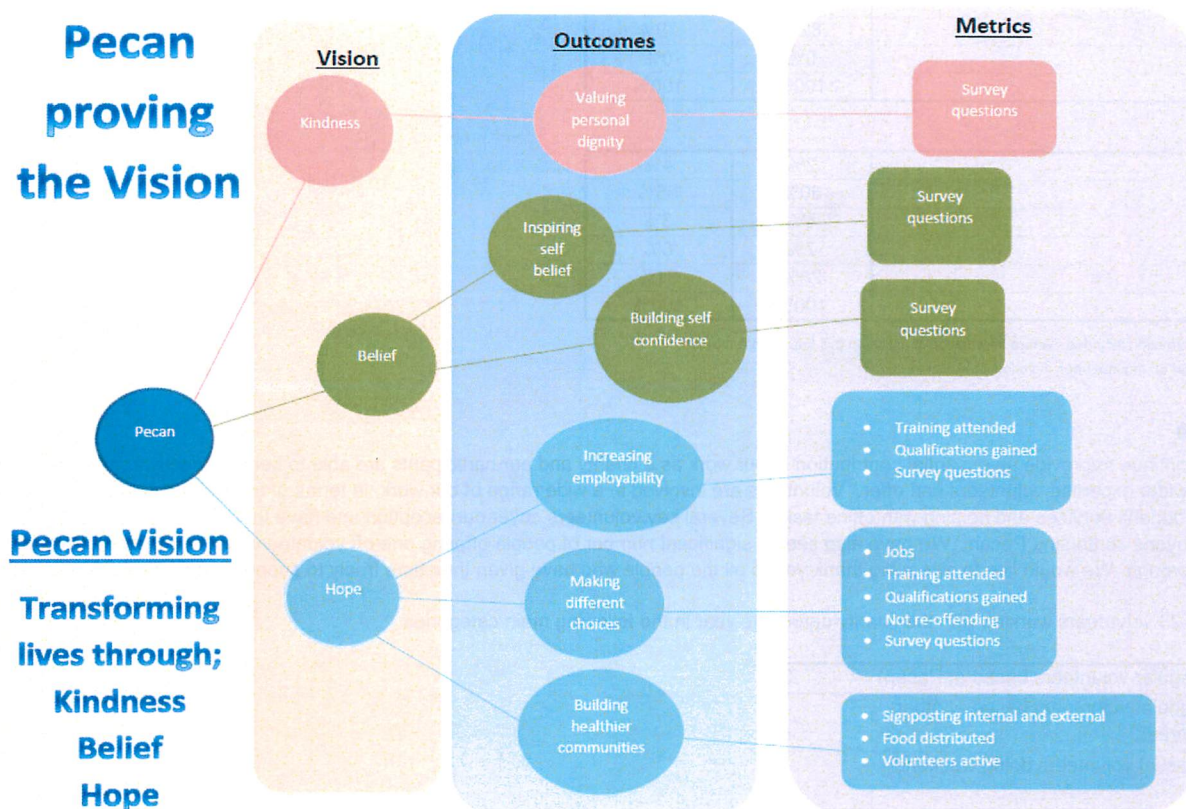




# Pecan

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

## Trustees' Report, incorporating the Directors' Report for the year ended 31 March 2016



The results of this for the second half of the year, when we got rid of a lot of glitches, are in the table below. The colours help to show how on track we were with different projects to meet our outcomes and outputs. They use a traditional traffic light system so green is ahead of target, amber is on or just below target and red is off target.

Over all figure for DASHBOARD REPORT						
Month	October	November	December	January	February	March
Overall	45	41	50	41	49	50

### Stats for the year

Throughout the year our projects have continued to meet people at points of need and help them to develop strategies to change their situation. All support is offered to our clients free of charge. Eligibility criteria are dictated by the funders, and so differ for each programme. 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.

### Statistics for all Project Participants 2015 – 16 and 2014 - 2015

Gender	2015 - 2016	2014 - 2015
Male	46%	46%
Female	53%	53%
Not stated	0%	0%
TOTAL	100%	100%

Age	2015 - 2016	2014 - 2015
18-24	12%	13%
25-49	54%	56%
50+	33%	31%
Not stated	0%	0%
TOTAL	100%	100%

# Pecan

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

## Trustees' Report, incorporating the Directors' Report for the year ended 31 March 2016

### Employment status

Employed/Self employed	18%	21%
Unemployed	82%	79%
Retired	0%	0%
TOTAL	100%	100%

### Ethnicity

Asian	2%	4%
Black	60%	55%
Other	4%	3%
Mixed	7%	6%
White	28%	31%
TOTAL	100%	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 services and helping with office tasks. Several key volunteers cover our reception and have therefore been the first point of contact for anyone contacting Pecan. We have also seen a significant number of people offering one-off volunteering at Foodbank collections across the borough. We would like to give a big thank you to all the people who have given their time freely to support our clients.

There were 123 volunteers working with the charity during the year in the following main categories:

Foodbank (regular volunteers based at Pecan)	32
Foodbank (regular volunteers based at other welcome centres)	15
Foodbank (casual volunteers doing weekend collections)	46
Employment Support	2
Central / General Support	10
SE Storehouse	18
TOTAL	123

### Achievement and performance

The table below compares the number of supported clients over the three years to 2015 - 16. Some projects have seen an increase in numbers, while others have seen a decrease. The reasons for this vary, depending on the project:

- Southwark Works, due to a change in contract.
- HOurBank, due to inactive members being removed from the members register.
- Foodbank due to us providing more advice and signposting so that people were able to improve their situations and no longer needed to return to the project.

Projects	Number of Clients Supported		
	2013-14	2014-15	2015-16
Information, Advice & Guidance – Southwark Works (clients accessing the service)	220	119	95
Information, Advice & Guidance - National Careers Service (clients accessing the service)	2,027	2,181	2,432
Foodbank (people supplied through)	4,506	3,729	3,664
Moving On (Female ex-offenders)	74	123	47
HOurbank (active members)	142	143	111
Ignition (people trained and participants)	242	247	193
<b>Total Number of Clients Supported:</b>	<b>7,211</b>	<b>6,542</b>	<b>6,542</b>



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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 2016

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### *Fundraising and facilities performance*

During the year 2015 -2016, Pecan renewed contracts to deliver Information, Advice & Guidance (IAG) under National Careers Service as a sub-contractor of Prospects. We also secured A 4 year contract to work with ex-offenders as part of the Southwark Works framework. 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 council's Emergency Support Scheme. Moving On is funded through a partnership of Trusts and Ignition is funded through trust funds.

During the year we have continued to work with Felton Fundraising. We have paid £7,380 for their services during the year and for this they have secured for Pecan £73,150.

We received trust funding and voluntary donations towards our Foodbank and general expenditure including over £7,000 raised by volunteers Julian Kelly and Jane Round for completing the London Marathon.

### *Investment performance*

Pecan invests reserve bank balances on deposit with a charity investment specialist.

## 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 that total income for the year was £598,937 and total expenditure incurred was £785,800 resulting in a deficit of £186,863. This deficit was enhanced by capital loss on investments of £8,297 resulting in a total deficit for the year of £195,160.

The balance of total unrestricted reserves at the end of the financial year was £734,932, which is a decrease of £158,956 since 2015.

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

Fixed assets are set out in Note 13 to the accounts.

### Reserves Policy

The trustees consider that a policy of holding a minimum of 6 months total expenditure as a general reserve is an appropriate target for the charity. At the end of the financial year we had 5 months' reserves.

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

Principal funding sources have been outlined above. With the exception of a few general donations, all income is attributed directly to the project 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

Pecan continues to be a community organisation with our focus on Southwark. We do, though, work outside of the borough for some projects where we are able to support individuals to develop themselves and communities to take on new services. These are all focused under our three different themes of work of Community, Resettlement and Employment.

## Community

Southwark Foodbank is sadly a vital service in the community for people in financial crisis. During the year we have developed new programmes attached to the core service. These have included a kids holiday club, cooking sessions and advice services. Our aim is to move the people using the services away from the issues that led them to our door. In the next year we are hoping to move the project out of our current building and into a more appropriate venue for delivering a café style approach. This will help clients to have a more welcoming experience of Foodbank.

HOurBank will develop a new delivery style during the next year. With the employment of a young assistant through Southwark SEEDS programme. This development includes opening a new branch in Borough at our Timebanking café in St George the Martyr church. This brings together the churches outreach to older people with the timebanking model of community cohesion. Having a new assistant means that HOurBank can continue to build community by putting on even more regular activities run by members including walking, gardening, cooking and lots of chatting over cups of tea in our new community cafés.

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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 2016

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During this last year we have been developing a social enterprise under the working title of SE Storehouse. We are now seeking ways to develop the retail and training offer in the community alongside other artists. This is building on the lessons learnt with the pop up shop and the sense of community developed with the local artists and makers. We are also developing our own products through a potential partnership project with Prosper 4 where we are getting designed items made in prisons and sold through the project's own website ([www.pecanpi.london](http://www.pecanpi.london)).

### Resettlement

Moving On has had a big change in the year. We have ended our Big Lottery funding and now have a number of smaller funders supporting the work. This has meant a reduction in size of nearly 4/5th. With the change in the way that the prison support systems are operated this has caused a real challenge. Going forward, the project has changed its offer from a mentoring and advocacy role to a coaching and advocacy role (is it worth explaining this a little?). We are looking to develop relationships with Downview, the new women's prison for London.

There is a growing drive to develop community based services for women in contact with the criminal justice system, the aim being to offer enhanced support at an earlier stage to prevent further offending and prison. To do this we want to concentrate services in one place where women can get access to a variety of services. This would become a 'Women's Centre.' Our desire is to be the women's centre for Southwark.

### Employment

Whilst we have managed to turn around the National Careers Service provision to be financially viable, we want to see an expansion in the training and support we can offer. We recognise that most funding for this area of work comes through national and regional contracts. Our aim is to be a sub contractor of choice for prime contract holders. We are seeking to develop contracts that provide what is called 'end to end' support for people on their journey to employment. As always Pecan is looking to continue to provide specialist support to some marginalised and hard to reach groups such as young people, older people and ex-offenders.

Over the past year we have been developing more training offers where we deliver an Ignition course alongside a qualification such as Food Safety or First Aid. We are aiming to generate more funding and contracts to deliver these on a longer term basis as more people coming to Pecan need an entry level qualification to kick-start their career.

Over the next year we are going to explore further partnerships to deliver employment preparation training on behalf of large employers. Thanks to partnerships with organisations such as Prosper 4 and Business in the Community we have started to develop these opportunities.

### 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 2016 and for future years. The charitable company is required to be audited under charities legislation for the year ended 31st March 2016.

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 11.

The financial statements were approved by the Board of Trustees on 30 August 2016 and signed on its behalf by:



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Aderemi Okeanola  
Chair of Trustees

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# Pecan

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

## Statement of Trustees' Responsibilities for the year ended 31 March 2016

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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 2016 set out on pages 13 to 21. 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 January 2015).

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 11 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 2016 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  
30 August 2016

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 2016

		2016			2015
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	Notes	£	£	£	£
<b>Income:</b>					
Donations and legacies	4	129,722	380	-	130,102
Income from other trading activities	5	26,604	-	-	26,604
Investment income	6	8,231	-	-	8,231
Income from charitable activities	7	101,029	332,971	-	434,000
<b>Total income</b>		<b>265,586</b>	<b>333,351</b>	<b>-</b>	<b>598,937</b>
<b>Expenditure:</b>					
Expenditure on charitable activities	8	365,123	417,303	-	782,426
Endowment expenses	11	-	-	3,374	3,374
<b>Total expenditure</b>		<b>365,123</b>	<b>417,303</b>	<b>3,374</b>	<b>785,800</b>
<b>Net income/(expenditure) for the year</b>		<b>(99,537)</b>	<b>(83,952)</b>	<b>(3,374)</b>	<b>(186,863)</b>
<b>Gross transfers between funds</b>					
General to restricted	19	(51,122)	51,122	-	-
Gains/(losses) on investment assets	16	(8,297)	-	-	(8,297)
<b>Net movement in funds</b>		<b>(158,956)</b>	<b>(32,830)</b>	<b>(3,374)</b>	<b>(195,160)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		893,888	71,852	124,865	1,090,605
<b>Total funds carried forward</b>		<b>734,932</b>	<b>39,022</b>	<b>121,491</b>	<b>895,445</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

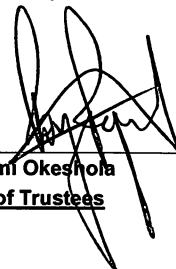
(A Charity Company Limited by Guarantee, company number 2394165)

## Balance Sheet as at 31 March 2016

	Notes	31 March 2016		31 March 2015	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	13		515,674		528,569
Investments	14		<u>239,629</u>		<u>217,926</u>
			755,303		746,495
<b>Current assets</b>					
Debtors	15	112,200		50,226	
Cash at bank and In hand	16	<u>95,796</u>		<u>331,057</u>	
		207,996		381,283	
<b>Creditors: amounts falling due within one year</b>	17	<u>67,854</u>		<u>37,173</u>	
<b>Net current assets</b>			140,142		344,110
<b>Total Net assets</b>			<u>895,445</u>		<u>1,090,605</u>
<b>The funds of the charity:</b>					
General funds		340,749		490,184	
Designated funds	18	<u>394,183</u>		<u>403,704</u>	
Total unrestricted funds			734,932		893,888
Restricted funds	19		39,022		71,852
Endowment funds			121,491		124,865
<b>Total charity funds</b>	20		<u>895,445</u>		<u>1,090,605</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 FRSSE 2015 - Financial Reporting Standard for Smaller Entities (effective January 2015).

Approved by the trustees on 30 August 2016 and signed on their behalf by:



Aderemi Okeshola  
Chair of Trustees



Eleanor Orr  
Treasurer

The notes on pages 15 to 21 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 2016

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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 FRSSE 2015 - Financial Reporting Standard for Smaller Entities (effective January 2015);
- b) the Charities SORP (FRSSE) - Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRSSE 2015.
- c) the Companies Act 2006.

#### Public benefit entity

The charitable company meets the definition of a public benefit entity.

#### Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

#### Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, and performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition is met.

#### Endowment funds

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

#### Restricted Funds

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

#### Unrestricted Funds

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

#### Designated Funds

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

#### 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.

#### Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

#### 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.

#### 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 2016

3 Net outgoing resources	2016	2015
<i>Net outgoing resources are stated after charging:</i>	£	£
Auditors fees - audit services	3,000	3,000
Auditors fees - other services	4,600	6,700
Depreciation - owned assets	12,895	13,386
	<u>12,895</u>	<u>13,386</u>
<b>Trustees' emoluments</b>	<u>-</u>	<u>-</u>

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

### APB Ethical Standard - Provisions available for small entities

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

### Expenditure areas in accounts

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

4 Donations and legacies	Unrestricted	Restricted	2016 Total	2015 Total
	£	£	£	£
Donations & gifts	126,185	380	126,565	167,443
Tax reclaimed	3,537	-	3,537	3,656
	<u>129,722</u>	<u>380</u>	<u>130,102</u>	<u>171,099</u>

5 Income from other trading activities	Unrestricted	Restricted	2016 Total	2015 Total
	£	£	£	£
Storehouse	26,604	-	26,604	-
	<u>26,604</u>	<u>-</u>	<u>26,604</u>	<u>-</u>

6 Investment income	Unrestricted	Restricted	2016 Total	2015 Total
	£	£	£	£
Bank interest	13	-	13	6,740
Dividend income	8,218	-	8,218	3,262
	<u>8,231</u>	<u>-</u>	<u>8,231</u>	<u>10,002</u>

7 Income from charitable activities	Unrestricted	Restricted	2016 Total	2015 Total
	£	£	£	£
Contract income (See note 30)	101,029	332,971	434,000	605,930
	<u>101,029</u>	<u>332,971</u>	<u>434,000</u>	<u>605,930</u>

# Pecan

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

## Notes to the Accounts for the year ended 31 March 2016

8 Expenditure on charitable activities	Direct project costs	Human Resources	Premises	Support	2016 Total	2015 Total
	£	£	£	£	£	£
Central	6,241	140,959	(8,093)	(5,421)	133,686	147,209
Community Development	4,449	82,312	22,472	25,569	134,802	150,850
Employability	48,761	131,508	14,437	43,426	238,132	237,963
Resettlement	4,150	112,958	8,283	26,342	151,733	259,095
Other	8,878	61,148	40,431	13,616	124,073	3,969
	<u>72,479</u>	<u>528,885</u>	<u>77,530</u>	<u>103,532</u>	<u>782,426</u>	<u>799,085</u>

9 Analysis of Support costs (including governance costs - see note 10)	Overheads	Management services	IT support	Fundraising	2016 Total	2015 Total
	£	£	£	£	£	£
Central	(20,668)	4,796	3,604	6,847	(5,421)	21,530
Community Development	20,833	3,112	1,490	134	25,569	15,763
Employability	33,168	6,312	3,946	-	43,426	36,918
Resettlement	16,699	5,590	4,053	-	26,342	39,822
Other	10,763	2,823	-	30	13,616	1,900
	<u>60,795</u>	<u>22,633</u>	<u>13,093</u>	<u>7,011</u>	<u>103,532</u>	<u>115,932</u>

10 Governance costs (included in supports costs above)	Unrestricted	Restricted	2016 Total	2015 Total
	£	£	£	£
Board meetings	-	-	-	337
Auditors fees - audit services	1,300	1,700	3,000	3,000
Auditors fees - other services	3,649	958	4,607	4,600
Legal fees	155	720	875	325
Other governance costs	568	-	568	-
	<u>5,672</u>	<u>3,378</u>	<u>9,050</u>	<u>8,262</u>

11 Endowment expenses	2016 Total	2015 Total
	£	£
Endowment expenditure	<u>3,374</u>	<u>3,374</u>
	<u>3,374</u>	<u>3,374</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 of in 2014.

# Pecan

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

## Notes to the Accounts for the year ended 31 March 2016

### 12 Staff costs

	2016	2015
	£	£
Staff salaries	451,269	508,688
Staff social security	35,860	36,463
Staff pensions	22,861	24,781
	<u>509,990</u>	<u>569,932</u>

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

Average number of full-time equivalent (FTE) employees and associated remuneration during the year was:		2016		2015	
		FTE	Total £	FTE	Total £
Employees	Direct	14	339,540	22	406,429
	Support	4	111,729	4	102,259
	Total	18	451,269	26	508,688
Number of employees at end of period:	Full-time	9		7	
	Part-time	11		17	

No remuneration was paid to any Trustee or their associates for services as a trustee during the year ended 31 March 2016 nor to 31 March 2015.

Employees paid in excess of £60,000 during the current year and previous year:

None	None
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### 13 Tangible fixed assets

	Land & buildings £	Office equipment £	Furniture & fittings £	Motor vehicles £	Total £
<b>Cost</b>					
As at 1 April 2015	656,898	178,785	15,531	2,000	853,214
As at 31 March 2016	<u>656,898</u>	<u>178,785</u>	<u>15,531</u>	<u>2,000</u>	<u>853,214</u>
<b>Depreciation</b>					
As at 1 April 2015	132,223	176,529	15,531	362	324,645
Charge for the year	10,138	2,256	-	501	12,895
As at 31 March 2016	<u>142,361</u>	<u>178,785</u>	<u>15,531</u>	<u>863</u>	<u>337,540</u>
<b>Net book value</b>					
As at 31 March 2016	<u>514,537</u>	<u>-</u>	<u>-</u>	<u>1,137</u>	<u>515,674</u>
As at 31 March 2015	<u>524,675</u>	<u>2,256</u>	<u>-</u>	<u>1,638</u>	<u>528,569</u>

### 14 Investments

	CCLA investments £	Total £
<b>Market value</b>		
As at 1 April 2015	217,926	217,926
Additions	30,000	30,000
Revaluations	(8,297)	(8,297)
As at 31 March 2016	<u>239,629</u>	<u>239,629</u>
<b>Historical value at at 31 March 2016</b>	<u>230,000</u>	<u>230,000</u>

### 15 Debtors: amounts falling due within one year

	2016	2015
	£	£
Operating debtors	83,793	19,322
Prepayments	1,900	-
Accrued Income	26,507	30,904
	<u>112,200</u>	<u>50,226</u>



# Pecan

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

## Notes to the Accounts for the year ended 31 March 2016

16 Bank and cash in hand	2016 £	2015 £
Bank deposit accounts	66,157	300,397
Bank current accounts	28,231	30,277
Petty cash	1,408	383
	<u>95,796</u>	<u>331,057</u>

17 Creditors: amounts falling due within one year	2016 £	2015 £
Operating creditors	43,275	24,630
Credit card	509	330
VAT liability	3,114	(2,929)
Payroll & taxation	9,777	9,812
Pension payments due	1,679	-
Accruals	9,500	5,330
	<u>67,854</u>	<u>37,173</u>

18 Designated funds	Opening balance £	Resources arising £	Resources utilised £	Closing balance £
Fixed asset fund	403,704	-	9,521	394,183
	<u>403,704</u>	<u>-</u>	<u>9,521</u>	<u>394,183</u>

<b>Fixed asset fund</b>	This fund represents the amount of charity funds locked up in freehold land and buildings and other fixed assets which are needed for operational purposes. The funds are carried at the net book value of the fixed assets at the balance sheet date, after deducting any outstanding loans, endowment funds or restricted funds used to finance their acquisition.
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19 Restricted funds	Opening balance £	Incoming resources £	Resources expended £	Transfers & adjustments £	Closing balance £
Community development	11,926	96,457	134,803	26,420	-
Employability	-	106,065	130,767	24,702	-
Resettlement	59,926	130,828	151,732	-	39,022
	<u>71,852</u>	<u>333,351</u>	<u>417,303</u>	<u>51,122</u>	<u>39,022</u>

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

<b>Community development</b>	Funding designated for work on the Pecan Foodbank, Hourbank and Ignition projects.
<b>Employability</b>	Funding designated for use in providing information advice and guidance (IAG) to clients on incapacity benefit.
<b>Resettlement</b>	Funding from the UK Treasury's Invest to Save budget and from Home Office Future Builders fund to run the Workout pilot project to work with ex-offenders on release from prison to help them work, together with a new project funded by the National Offender Management Service (NOMS).

20 Net assets attributable to funds	General funds	Designated funds £	Restricted funds £	Endowment funds £	Total £
Tangible fixed assets	239,629	394,183	-	121,491	755,303
Current assets	168,974	-	39,022	-	207,996
Current liabilities	(67,854)	-	-	-	(67,854)
Net assets represented by funds	<u>340,749</u>	<u>394,183</u>	<u>39,022</u>	<u>121,491</u>	<u>895,445</u>

# Pecan

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

## Notes to the Accounts for the year ended 31 March 2016

### 21 Taxation

The company is a registered charity. Accordingly it is exempt from taxation in respect of income and capital gains to the extent that these are applied to its charitable objects.

### 22 Post balance sheet events

There were no significant post balance sheet events.

### 23 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:

	2016	2015
£	1,679	£ -

### 24 Other financial commitments

#### Operating lease commitments due within 12 months

At 31 March 2016, the company had annual commitments for office equipment under a non-cancellable operating lease as detailed below:

	2016	2015
	£	£
Expiring within one year	2,159	-
Between two and five years	2,816	4,975
	<u>4,975</u>	<u>4,975</u>

### 25 Transactions with trustees

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

### 26 Contingent liabilities

The charity had no material contingent liabilities at 31 March 2016 nor at 31 March 2015.

### 27 Related parties

There were no disclosable related party transactions during the year.

### 28 Gifts in kind and volunteers

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

### 29 Contract income breakdown

	Unrestricted	Restricted	2016	2015
	£	£	£	£
Food bank	-	62,144	62,144	62,145
Hour Bank	-	34,313	34,313	34,313
Moving on	-	130,449	130,449	296,642
National Career Service	78,954	-	78,954	119,011
Southwark Works Empower	-	106,065	106,065	67,134
Forward into Work	22,075	-	22,075	-
Prime Plus	-	-	-	26,684
	<u>101,029</u>	<u>332,971</u>	<u>434,000</u>	<u>605,930</u>

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# Pecan

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

## Notes to the Accounts for the year ended 31 March 2016

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### 30 Major funders

<i>Funder</i>	<i>Project Name</i>	
Big Lottery Fund	Moving on	£ 130,449

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.

We would like to thank following organisations/trust who made a donation to us during the year:

Barleycorn Trust	Dentonts Charitable Trust	Beaumont Trust
Drapers Charitable Trust	Tisbury Trust	Tay Charitable Trust
The Leaver Family Charitable Trust	The Peter Minet Trust	The Souter Charitable Trust
The Henry Smith Charity	The Diocese of Southwark	The City Bridge Trust
Lloyd Foundation	London Catalyst	The Roger Vere Foundation
Peckham Settlement		

We would like to thank following churches who made a donation to us during the year:

All Saints Church - in Peckham	Clapham Baptist Church	Rye Lane Baptist Church Peckham
Brandon Baptist Church	Amott Road Baptist Church	Celestial Church of Christ
Elim Pentecostal Church	Orpington Methodist Church	St George the Martyr Church
United Calvary Church	North Peckham Baptist Church	Holy Michael Church of the Lord

### 31 Legal status of the charity

The charity is a company 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.