

Company Registered Number: 02394165
Charity Registered Number: 801819

PECAN
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

PECAN
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2020**

Charity Name: Pecan

Charity Registration number: 801819

Company House Number: 02394165

Principal and registered Office: 121a Peckham High Street
London
SE15 5SE

Trustees: Rev. Joyce Grant (Resigned 31st March 2020)
Paul Jones (Elected Chair of Trustees 10th June 2020)
Omorinola Ogutuga
Aderemi Okeshola – Chair of Trustees (Resigned 10th June 2020)
Eleanor Orr
Anne Wilde (Resigned 10th March 2020)
John Willis (Resigned 10th June 2020)
Alison Inglis Jones (Appointed 10th June 2020)
Graham Gordon (Appointed 10th June 2020)
David Porter (Appointed 10th June 2020)

Company Secretary: Christopher Price

Senior Management: Christopher Price – Chief Executive Officer
Magni Sylvie Bissileu – Head of Finance and Resources
Michele Smith – Head of Operations

Auditors: MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditor
6th Floor
2 London Wall Place
London, EC2Y 5AU

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND
ADVISERS
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Bankers:

Barclays Bank plc
United Kingdom House, 180 Oxford Street
London W1D 1NN

CCLA
Senator House, 85 Victoria Street
London, EC4V 4ET

Solicitors:

Grant Saw
110-114 Norman Road, Greenwich
London, SE10 9EH

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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

The Trustees of Pecan present their report together with the financial statements for the year ended 31 March 2020.

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 and to the date of this report are disclosed on page 1.

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 with the Charity Commission 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 of up to £1.

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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 will have the opportunity to nominate someone from their Member Church in writing a different person ("Substitute") from their Member Church to attend meetings and vote on behalf of the Member Church. Both SCL's and Substitutes cannot be employed by Pecan.
 - o Members will be invited to an annual meeting. The annual meeting must include Pecan's Annual General Meeting and may also include:
 - o A speaker invited to give a presentation delivered by an external speaker about a Christian response to a specific area of social justice/action
 - o A forum session to discuss Christian social action in Southwark

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

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 Chief Executive Officer.

All of the directors are Christians and avid church attendees and members; they voluntarily 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.

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New Trustees are recruited by advertising through newsletters to our member and supporter network. The diversity in background and skills of the Trustees are regularly reviewed as we aim to recruit Trustees with distinctive experience in their fields.

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 made by the sub-committee are reported back at the following meeting.

New Trustees participate in a full induction programme upon appointment.

2. Senior Management

The management personnel consists of the Chief Executive Officer (CEO), Head of Finance and Resources, Head of Operations; and the Board of directors (who are not remunerated). The day to day management of the Charity is the responsibility of the CEO who is appointed by the Board. Remuneration for all staff is benchmarked every three years by a HR consultant. They use published comparison information provided by Croner and NCVO and compare these with other Christian charities with whom the consultant is in touch and able to survey anonymously. The report is presented to the Board of Directors who decide and approve the salaries of each of the staff members including the CEO.

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.

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Risk Assessment

The Charity maintains and actively monitors its risk register. The register is presented to the Board at each quarterly meeting by the Chief Executive Officer; significant risks are identified, and actions agreed and monitored at subsequent meetings.

As a Charity Pecan considers the following to be the key areas of business risk:

- Strategy Risk
- Reputational Risk
- Economic Risk
- Operational Risk
- Legal Risk
- Compliance Risk

Principal risks and uncertainties for Pecan at the current moment;

Covid 19 – Pecan has adjusted well to the first phase of the coronavirus pandemic. Most projects have been conducted from home during this time with Southwark Foodbank and Peckham Pantry continuing to progress on the premises. Funding has come in for the Foodbank and we have had positive responses from all other funders who have allowed us to alter the nature of our work to adapt to the sudden change of situation. If there is a second wave of the virus in the upcoming year, we may potentially experience a further wave of generosity and financial support from the public and funders. This is expected to have a significant knock-on effect on the viability of some projects.

In response to these financial risks Pecan has carried out 3 budget and cash flow scenarios for an 18 month period starting in October 2020 looking at the financial impact of the pandemic. In the worst-case scenario in which we see most contract funding not being renewed we will still be able to carry out essential activity on a reduced scale using restricted reserves for those projects and general reserves for central and projects in development. The planning activities carried out has given Trustees a reasonable assurance to believe that we have sufficient reserves to continue running a core level of activity for the next 18 months in a worst case scenario.

In addition to the financial risk, if the threat of the virus is extended any further, we will have to rethink many of our working models due to their reliance on in-person meetings. We anticipate that mental health issues may arise if we experience a second lockdown, and therefore need to develop strategies to assist with this.

Brexit – This has caused a delay in government strategies for various areas of our business model. We have worked with prime contractors to ensure we have as much information as possible to plan a service in the short term.

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Austerity – There have been significant cuts to local authority budgets in recent years. We have ensured that we keep close contact with the local council to plan options for the community and Pecan going forward. Following the first Coronavirus outbreak councils and funders have set aside 'crisis funds' which could impact their ongoing budgets if they later need to make up for these losses, this could have an impact going forward when they need to fill the funding holes in their ongoing budgets.

Our operational and reputational risks are coordinated through our management structure. All managers take responsibility for the levels of morale and attitude to work within teams, with goals and targets being supported by the CEO. This is set and supported through the CEO. All social media is managed by the Partnerships Manager who coordinates the release of social media content, supported by staff members within each team who share the responsibility of social media.

Our legal and compliance risks is monitored by the Head of Finance and Resources. These are reviewed with insurance brokers annually.

A Health and Safety risk assessment update is also available to the Board at each quarterly meeting, along with any updates to related procedures and policies. Croner since April 2019 have been engaged to manage health and safety on behalf of Pecan.

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 particularly 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.

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Policies to further our Objects

In March 2020 Pecan's Board of directors agreed the following revision of the Vision, Values and Ethos statements following a period of consultation with staff and volunteers.

Vision

"Transforming lives through kindness, belief, hope"

Values

Pecan offers a breadth of interventions which comes together through working from our values of Kindness, Belief and Hope.

This is expressed through;

Kindness

- Embracing diversity and loving every person for who they are
- Honestly building every person's confidence in their own unique capability;

Belief

- Believing in the potential of each and every member of our diverse community
- Persevering alongside people through every challenge;

Hope

- Starting, living, and ending every diverse and unique encounter in hope

These values underpin the culture of the Charity. People can only progress when they feel safe to make mistakes. People must feel supported, not judged. Success should be defined by the richness of the journey, not the destination achieved.

Ethos

As an inclusive Christ-centred organisation, Pecan seeks to treat all people with dignity, openness and respect, demonstrating Jesus' grace and love in action.

Further to this a statement on Respect and Culture were also adopted;

Respect

Pecan values the respect of all clients provided that clients treat members of staff in the same manner. This is the culture that we endeavour to promulgate at Pecan.

This is the culture that we operate through. Many of our clients suffer from the consequences of previous wrong decisions, resulting in a recurrence of missed opportunities. We can reflect this in the life stories of Pecan as a team.

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Our interactions don't start from where people have been as that can't change. We start from where people are and where they want to go. Understanding the past rather than judging the past, helps people to progress. We recognise that progress is not a straight line, but something that will go backwards and forwards. Therefore, under our value of Believe we say we 'Persevere alongside people through every challenge'

Culture

The culture of the staff and volunteer team is grounded in Pecan's ethos as an inclusive Christ-centred organisation. This is demonstrated in the way all interact with each other. Everybody aims to show kindness and respect, seeking in each encounter to uplift people with honesty and to be regarded as a trusted partner.

Pecan's Charitable Objectives:

1. To address the multiple needs of all involved and work towards their social inclusion, through the development and delivery 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.

All of 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.

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 which now incorporates our values 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.

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Proving the vision

Pecan uses a monitoring matrix that enables us to evidence if we are actually making a difference to people's lives. This records the activities against the targets for each project and the structured feedback we receive through surveys from our clients. We use an information matrix to track whether we are meeting our vision of 'Transforming Lives through Kindness, Belief, Hope'.

The mix of soft outcomes and hard metrics that are gathered from the projects individually are combined and filtered across our organisational outcomes of: valuing personal dignity, inspiring self-belief, building self-confidence, increasing employability, making different choices and building healthier communities. Each outcome has a different set of matrices and scores. The results of this are shown in a 'traffic light' system where green is ahead of target, amber is within 25% of target and red is over 25% away from target.

PECAN PROVING THE VISION 2019/2020		
Vision	Outcome	Score
KINDNESS	Valuing personal dignity	80%
BELIEF	Inspiring self-belief	94%
	Inspiring self confidence	75%
HOPE	Increasing employability	78%
	Making different choices	77%
	Building healthier communities	145%
Are we meeting the vision?		136%

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Progress towards objectives during 2019 - 2020

The year started with our new community food offer; the Peckham Pantry. The Pantry works very differently from the foodbank. The foodbank is designed for when people are at a point of crisis and need an emergency parcel of food; it is not designed as a long-term welfare support for people. The Pantry is designed to help either prevent people needing a foodbank or supporting them as they try to recover from the crisis that led to them needing a foodbank referral. In the Pantry, people become members and pay a membership fee of £4.50 each visit. For this they are entitled to choose 10 items of food that have a value of at least £15 and normally between £20 - £30. This provides a significant saving and place of community. Peckham Pantry has over 300 households registered with over 60 turning up each week. Going forward (as of July 2020), we are awaiting the keys to a property and, with funding from Guys and St Thomas Charity, we are opening a new Pantry 6 days a week to meet a wider group of families and opportunity to access healthy food options at low cost.

Our Women's Service have developed their community offer over the past year. We moved our Lewisham Hub from a small venue with a couple of rooms, tucked away behind a Co-op to a suite of rooms in the Telegraph Hill Centre with a panoramic view over London. This is a much more inspiring venue to inspire a positive outlook for the women who access the service. The Southwark Hub continued to offer a range of services throughout the year. This ranged from 1:1 support to women's choirs, domestic violence awareness courses and community meals. The Hub is also open for other women's service providers to use as a base for the day, so workers from probation, domestic violence charities, and mental health services all arrange to meet clients in the safe space we provide.

One such person who came to the Hub was *Terri
(* all names in below cases studies have been changed for confidentiality purposes)

Terri was in her mid-50's, with a long history of alcohol dependency and a list of criminal convictions including but not exclusive to GBH and prostitution. Terri had recently left a violent relationship and was looking to have a fresh start. She agreed to meet with one of Pecan's Women's Advocates who was able to get her a place on a detox and rehab programme. Alongside meeting regularly with her Advocate who was able to adopt a trauma informed structure to their meetings, Terri started to get involved in other group activities at the Hub including the Women's choir. These all helped Terri to be more confident in who she really is. She said of her experience and new-found self-belief "I feel like I'm blooming."

In June 2019 our contract with Southwark Council, delivering employment support for ex-offenders, came to an end. This project, Empower, had been hugely successful, with over one in 3 clients securing employment. Our other three employment projects; National Careers Service, Family Works and Journey to Work continue to flourish during the year. Across all the projects nearly 1,000 people were offered support.

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One of the people supported this year was **Matilda who had been out of work for nearly 3 years. She wanted to work to create a better standard of living for her children. She had very low levels of confidence in her skills and abilities. Our Work Coach supported her to restructure her CV and to access IT training. They also worked with her on how to find employment and interview skills. After a few months, Matilda secured an interview with a fast food chain. She was successful at the interview and was very excited about starting work again. Earlier this year, Matilda contacted her work coach as she had been placed on furlough. The coach was able to talk through with her the furlough process and helped her to budget for the next few months. The coach also made a successful referral to the borough's emergency support scheme.*

Our community social inclusion project, HOurBank, opened a new café during the year on the western borders of the borough on an estate that has limited services. The café acted as a hub for people to meet with neighbours and to access services including a volunteer who gave IT support during the café opening hours. Many different groups continue to provide social interaction for people, including outings and themed activities. HOurBank also created a football team, Salam FC, that had been set up for young male asylum seekers. The team meet weekly and for many it is a vital part of their positive social interactions.

**Queenie was first introduced to the HOurBank through her attendance at a "Bring and Mend" event held at the Copleston Centre. She soon started attending our monthly coffee mornings and now regularly attends the Tuesday morning café at All Saints Church. She has been on different trips with HOurBank as well including one trip to an art exhibition in Battersea, after which she and another member went for tea at Peter Jones. Now she has become a regular attendee at Creative Writing Workshops. As she says, "Life was quiet before HOurBank. Now it is much more lively!"*

Southwark Foodbank saw its busiest year, pre-Covid, with 6548 people being supplied with food. We strongly believe that just supplying food is not good enough, people will get hungry again. At our foodbank sessions all people referred talk with a volunteer or staff member about their situation. We are then able to signpost them to different providers who can help to change their situation. Over the year one of our volunteers contacted over 100 agencies to update their information, this has given us a much more comprehensive ability to signpost effectively. We have also had other agencies co-locating to provide housing, debt and energy advice at some locations.

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One example of the people helped is Debbie;

**Debbie is a single mother with 2 children. Living on Universal Credit had been a real struggle for her as over a period of time she revealed that she was nearly £4,000 in debt to a mix of creditors including but not exclusive to Housing, Council Tax, Gas and Electric. She explained that she had a repayment plan in place with the council for housing and council tax debts. We then put her in touch with one of our partner energy providers who worked with her to arrange the gas and electric debts. Our volunteer also asked if she was at a point where she could go into employment. Debbie was lacking in confidence but could see that paid work would help ease her situation. She was referred to one of Pecan's employment support programmes and a few months later we heard that she had secured a part time role.*

Over the year the Pecan's Central Team have tried to keep on top of all the different activities and legislations needed to ensure services are delivered safely. This has included ensuring that staff are supported to understand Safeguarding, Health and Safety, Lone Working and the new GDPR requirements. Managing the finance infrastructure with a range of contracts, trusts and private donations effectively is always complex. Therefore, we have developed new management account system and given more training and responsibilities to project managers. The Central Team are also responsible for our main building; 121a Peckham High Street. This is quite an undertaking as the rooms are all used by different groups at different times and we always want to ensure that the presentation is most effective to achieve positive outcomes.

At the very end of the year, the whole country went into lockdown due to Covid 19. At Pecan this meant two things, our projects that work in depth with people (Employment, HOurBank and Women's Service) all worked from home and kept in contact with clients through wellbeing calls, online meetings and the sending of wellbeing packs. Meanwhile, the Foodbank and Pantry teams remained in the office and managed a 3-fold increase in demand for food, transforming their advice and food collection service into an amazing feat of logistics, that kept people fed and safe.

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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, from frontline contact with clients, to 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 over 150 people who have given their time freely to support our clients.

Volunteer statistics in Pecan's premises	
Average number of volunteers per month	35
Average number of hours volunteered a month	320
Average number of hours each volunteer donated a month	7.5
Value @ London Living Wage (£10.75 per hour)	£48,361

These figures do not include the number of hours volunteers have given helping to collect food and fundraise at supermarkets and community events, nor does it reflect the volunteers who have helped sort food at other locations or gone out in the van. It only counts the hours in our premises at 121a Peckham High Street.

Pecan is now working with a growing number of volunteers in our offices. The reason the numbers are growing is because people keep finding jobs! Our last three volunteers in our finance team have all left as they have secured employment because of their experience at Pecan. Not only are Pecan helping volunteers to get work in other places, now 25% of our staff team have previously been volunteers at Pecan.

Achievement and performance

The table below compares the number of supported clients over three years, up to March 2019. Some projects have seen an increase in numbers, while others have seen a decrease. The reasons for this vary, depending on the project:

- National Career Service experienced a reducing of the contract and a stronger emphasis on job and learning outcomes over numbers of people
- Foodbank has seen yet another jump in people fed. Most of this growth has been due to problems with Universal Credit
- Family Works and Journey to Work are projects that are working at the capacity of the contract and have been able to provide a consistently high quality of support.
- Women's Services continues to thrive in partnership with Women in Prison supported by funding from MOPAC

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**TRUSTEES' REPORT
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Projects	Number of Clients Supported		
	2017 - 18	2018 - 19	2019 - 20
Information, Advice & Guidance - National Careers Service (clients accessing the service)	1,074	922	697
Employment Support Family Works and Journey to Work (clients registered on the programmes)	141	390	394
Foodbank (people supplied food)	4,910	5,912	6,548
Women's Services (Women's Hubs)	120	211	300
HOurBank (active members)	104	140	200
Total Number of Clients Supported:	6,875	7,763	8,139

Future Plans

Pecan has recently refreshed the Mission and Vision for the Charity. As a Charity we are putting tackling the poverty of opportunity at the centre of our work across all projects and developments. This can be met through a variety of interventions and awareness campaigns. Pecan has recommitted itself to being a local Charity based in Peckham and serving Southwark and neighbouring boroughs.

When people come in contact with Pecan, it is rare that they just have one issue they are facing. It tends to be a mix of barriers and history that have led to them reaching out for support. We have always looked to work with people holistically; sometimes through establishing new projects, internal referrals or external signposting. In effect Pecan has been a hub of information for people. We want to take this Hub model forward across all of our services, most of whom are already operating as a Hub.

Pecan Women's Service manages Southwark and Lewisham's Women's Hub. In this model we are working with partners such as Probation, Pause, Advance, Women in Prison and Hibiscus to be a safe space for women to access a host of services as well as join in with community activities such as a Women's Choir or a wellbeing session. As we go forward these will stay as stand-alone venues that respect the privacy needed to deliver the service safely and effectively. Going forward we would hope to open the hub from a permanent location on a full-time basis, so not to restrict access and to be available at times of crisis.

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Southwark Foodbank, when it provides food in a church setting also provides advice and support. We are working with Trussell Trust for the next three years, as part of their Pathfinder Programme to develop a strategy that goes beyond people needing a foodbank. Our full aim is to have communities where foodbanks themselves are no longer needed. To do this takes policy change and new structures in community that are a place that holds people when they need support. Our local aim is to provide a series of weekly venue 'pop up' hubs in local communities where people can not only access emergency food (until that is no longer needed), but also support and advice on site that speaks to the issue they are facing.

Peckham Pantry is more than a food outlet. It is a community hub built on access to good value food. The Pantry will also be able to signpost people to support to a variety of issues they are facing. We will also provide the opportunity for other service providers such as Southwark Citizens Advice to co-locate some staff so that they can provide face to face support. With a new Pantry opening 6 days a week in the Autumn of 2020, we have a great opportunity to see how this can be a hub for the local community.

Employment support Services are ideally placed to be based in hubs. A local place in the community where people can easily gain access to an advisor. We are also planning to develop more contracts to offer a wider range of people in the community, especially during the post Covid times of significantly higher unemployment. As part of the additional services, we are looking to strengthen our offer to young people and look to develop a more comprehensive training programme.

HOurbank is designed to bring people together, whether that is through one to one activities or through a range of group activities such as Salam FC, walking collectives, sewing circles, reading groups, gardening teams. They also operate community cafes in a couple of venues. All of this can be incorporated into a community hub model of working, acting as the glue between the structured support and services.

As we consider our options going forward and looking at the best way of serving our community we will be working in deeper partnerships. We have gained much valuable insight from our experience of working with Southwark Council, Southwark Health team and eight local voluntary sector colleagues on delivering emergency food to people during the Covid period. It has been a constructive partnership that has worked with strong inter-reliance. During a period of national crisis, this for Pecan has been a distinct learning experience. We are now looking at the community hub model of working with partner organisations. As well as being a coordinated practical support to the community, it will also make the borough more resilient to any future pandemics.

Pecan is also in the process of how best to use our premises in Peckham High Street. We need to ensure that the premises work for the services we are looking to deliver in the community and for the sustainability of the Charity.

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Contracts, fundraising and facilities performance

During the year, Pecan continued to deliver two contracts in Information, Advice & Guidance (IAG) as a sub-contractor of Prospects and G4S (Welfare to Work). Our employment programme with Southwark Council to deliver IAG as part of the Southwark Works partnership for people in touch with the criminal justice system came to an end in June 2019.

Pecan's Women's Service entered year two of a 3 year contract with Mayors Office for Policing and Crime (MOPAC) to deliver Southwark and Lewisham Women's Hubs.

We were successful with our funding from the London Borough of Southwark Common Purpose Fund for Southwark HOurBank for 2 years and Southwark Foodbank for 4 years.

Pecan's fundraising and income generation is split into three areas; trust, community and contracts.

During the year we have continued to work with Felton Fundraising who are contracted to apply to charitable trusts on behalf of Pecan. All applications and letters are agreed with and sent by either Pecans Partnership Manager or CEO. We have paid £7,921 for their services during the year and for this they have secured/received pledges for £53,300. The CEO directly manages the contact with Feltons, with support from the Partnerships Manager. Feltons reports are shared with the Board of directors.

Community fundraising is the responsibility of Pecan's Partnership Manager who is managed by the CEO. This area of fundraising involves working with local businesses, faith groups and educational establishments. They also manage a database of supporters, social media and external communications. Clients are never required to contribute or become financial supporters of Pecan. Newsletters with financial requests only go to individuals who have agreed to be on our supporters list.

The CEO manages the process of bidding for contracts. Pecan tends not to be the prime contractor on bids and seeks to be a preferred sub-contractor. Bids are written either by the CEO or project managers, occasionally external bid specialist consultants are consultants, in the last year no consultants were engaged.

In 2019/20 no fundraising complaints were received.

Over the year we have used the asset of our premises to support community activities and generate additional income. We now have two third sector organisations using desk space in our office; Prosper 4 and Southwark Everywoman's Centre. Our meeting rooms are being used by a growing number of organisations including Southwark Everywoman's Centre's sewing workshops, CAB, a church for prayer meetings, a pianist for teaching piano lessons, and a partner training provider for computer training.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2020

Financial Review

Our income in 2019/20 has increased by 11% compared to 2018/19 with incoming resources being £1,291,019 compared to £1,158,791 last year. The income is a mixture of Restricted Income of £553,121 (2019 - £491,023) where the funder determines what we spend the money on and Unrestricted Income of £737,898 (2019 - £667,768) which has no spending restrictions imposed. The Charity held equity-based investment dropped in value by £20,032 (2019 – increased in value by £22,166) which was allocated to the unrestricted fund.

Expenditure incurred during the year was £1,210,269 (2019 - £1,028,199) leaving a net result before transfers for the year of £60,718 (2019 - £152,758) split as £42,650 restricted surplus (2019 - £6,373), £21,452 unrestricted surplus (2019 - £149,756) and £3,384 endowment deficit (2019 - £3,374).

Our restricted fund has increased due to this year's net movement in funds after transfers to £122,735 (2019 - £80,085).

The unrestricted fund has increased due to this year's net movement in funds after transfers to £856,624 (2019 - £835,172) of which we hold Designated Funds of £370,764 (2019 - £370,764) representing the Fixed Assets and General Funds of £488,731 (2019 - £464,408).

Reserves

Total funds held by the Charity at 31st March 2020 were £1,087,344 (2019 - £1,026,626). The Trustees have reviewed the Charity's need for reserves in line with the guidance issued by the Charity Commission. The Trustees believe that in order to safeguard the Charity's services and the obligations to staff and creditors in the event of delays in receipt of grants, or any shortfall in fundraising income, six months' running costs which equates to £605,135 should be held in free reserves (unrestricted reserves excluding tangible fixed assets and investments). Against the target we are holding £488,731 in free reserves at the year end.

Restricted reserves at year end amounted to £122,735 (2019 - £80,085) which have donor-imposed restrictions attached and are held in cash at year end but, will be expended over future financial years. In addition, we have a designated fund of £367,893 (2019 - £370,764) which represent the value of the tangible fixed asset and a further Endowment funds of £107,985 (2019 - £111,369) which is also restricted. The designated and endowment funds reflect the investment made by the Trustees over the years in Operational assets which are not convertible into cash without affecting the operational running of the business and are not therefore considered to be freely available.

The remaining free reserve held at the year-end amounted to £488,731 (2019 - £464,408). During the financial year end the Charity chose to use an element of this reserve to help deliver our services in areas where funding was not otherwise available.

PECAN

(A Company limited by Guarantee)

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

Investment performance

In investing the Charity's assets, the Trustees aim to generate a reasonable income, whilst investing them safely, ethically and in such a way that they are easily accessible in order to support cashflow or to cover any funding shortfall. In order to meet these objectives, the Trustees invest the bulk of the Charity assets in the CCLA Charity Official Investment Fund (COIF) and cash. At the end of the year, the Charity held £267,954 (2019 - £303,397) in various bank deposits and £383,037 (2019 - £303,069) in equity-based investment funds.

The diversification and flexibility of the investments coupled with low interest rates during the year has given Trustees the reassurance that the dividend received of £11,940 (2019 – £9,939) and interest received of £817 (2019 - £551) were reasonable.

Public Benefit Statement

The Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

Statement of Disclosure of Information to Auditors

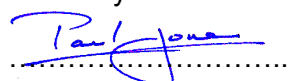
We, as the Trustees of the charitable company who held office at the date of approval of these financial statements as set out on page one, each confirm, so far as we are aware, that:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Preparation of this Report

This report has been prepared taking advantage of the small companies exemption of section 415A of the Companies Act 2006.

This report was approved by the Trustees, on 22 December 2020 and signed on their behalf by:


.....

**Paul Jones
Chair**

PECAN**(A Company Limited by Guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2020**

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

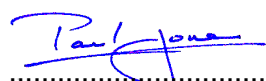
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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. 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

Approved by order of the members of the Board of Trustees and signed on its behalf by:



.....
Paul Jones

Chair

Date: 22 December 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PECAN

Opinion

We have audited the financial statements of Pecan (the 'charity') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2020 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PECAN (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

PECAN

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PECAN (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

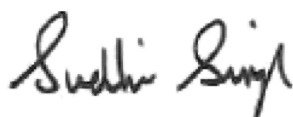
Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the charitable 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 charitable 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Sudhir Singh FCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants

Statutory Auditor

6th Floor

2 London Wall Place

London

EC2Y 5AU

Date: 20 January 2021

PECAN
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and grants	4	168,389	227,693	-	396,082	223,039
Charitable activities	5	528,774	325,428	-	854,202	897,202
Other trading activities	6	27,978	-	-	27,978	28,060
Investments	7	12,757	-	-	12,757	10,490
Total income		737,898	553,121	-	1,291,019	1,158,791
Expenditure on:						
Raising funds		49,910	-	-	49,910	38,423
Charitable activities	9	641,910	518,449	-	1,160,359	989,776
Total expenditure		691,820	518,449	-	1,210,269	1,028,199
Net (losses)/gains on investments	15	(20,032)	-	-	(20,032)	22,166
Net income		26,046	34,672	-	60,718	152,758
Transfers between funds	19	(4,594)	7,978	(3,384)	-	-
Net movement in funds		21,452	42,650	(3,384)	60,718	152,758
Reconciliation of funds:						
Total funds brought forward		835,172	80,085	111,369	1,026,626	873,868
Net movement in funds		21,452	42,650	(3,384)	60,718	152,758
Total funds carried forward		856,624	122,735	107,985	1,087,344	1,026,626

All income and expenditure derive from continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 27 to 52 form part of these financial statements.

PECAN
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02394165

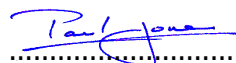
BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	14		475,878		486,101
Investments	15		383,037		303,069
			858,915		789,170
Current assets					
Stocks	16	15,919		-	
Debtors	17	597,413		393,620	
Cash at bank and in hand	22	267,954		303,397	
		881,286		697,017	
Creditors: amounts falling due within one year	18	(652,857)		(459,561)	
Net current assets			228,429		237,456
Total net assets			1,087,344		1,026,626
Charity funds					
Endowment funds	19		107,985		111,369
Restricted funds	19		122,735		80,085
Unrestricted funds	19		856,624		835,172
Total funds			1,087,344		1,026,626

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

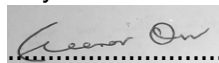
The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Paul Jones

Chair

Date: 22 December 2020



Eleanor Orr

Treasurer

The notes on pages 27 to 52 form part of these financial statements.

PECAN
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	21	53,700	115,672
		<hr/>	<hr/>
Cash flows from investing activities			
Investment income	7	12,757	10,490
Purchase of tangible fixed assets	14	(1,900)	-
Purchase of investments	15	(100,000)	-
		<hr/>	<hr/>
Net cash (used in)/provided by investing activities		(89,143)	10,490
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(35,443)	126,162
Cash and cash equivalents at the beginning of the year		303,397	177,235
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	22	267,954	303,397
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 27 to 52 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. General information

Pecan is a charitable company limited by guarantee and is registered with the Charity Commission (Charity Registered Number 801819) and Registrar of Companies (Company Registration Number 02394165) in England and Wales.

In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

The address of the registered office is given in the Charity information on page 1 of these financial statements. The nature of the Charity's operations and principal activities 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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Pecan meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in pound sterling, which is the presentational and functional currency of the Charity, and are rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

PECAN**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)**2.2 Going concern**

The Trustees have assessed the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern including the impact of COVID-19. To consider the charity's solvency and liquidity, forecasts have been prepared for a period to March 2022, and the assumptions underlying these have been stress-tested by considering a range of scenarios and the level of reserves held. The Trustees have therefore made this assessment for a period which they consider is the foreseeable future, being at least one year from the date of the approval of these financial statements. Based on this analysis the Trustees have concluded that there are no conditions or events anticipated that create a material uncertainty, and they can have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing these financial statements.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfillment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the Charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The Charity receives government grants in respect of furthering its charitable objectives. Income from government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the Charity's right to receive payment is established.

The value of volunteer time is not recognised as income.

Where practicable, donated goods for distribution to the beneficiaries of the Charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.4 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds incurred seeking voluntary contributions through donations and the running of fundraising events during the year.

Expenditure on charitable activities includes all costs incurred on furthering the objects of the Charity.

Other expenditure represents those items not falling into the categories above.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold buildings	-	2%
Fixtures and fittings	-	25%
Office equipment	-	50%

No depreciation is charged on freehold land.

2.8 Investments

Fixed asset investments are a form of basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value using the closing quoted market price or the share of the Net Asset Value of the fund (if unlisted). All gains and losses are taken to the Statement of Financial Activities as they arise.

The Statement of Financial Activities includes all net gains and losses arising on revaluation and disposals throughout the year. As investments are revalued to fair value continuously, no realised gains or losses arise.

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.13 Financial instruments

The Charity only holds basic financial instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 17. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 18. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.14 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.15 Pensions

When employees have rendered service to the Charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The Charity operates a defined contribution plan for the benefit of its employees which are administered by outside independent pensions providers. Contributions are expensed as they become payable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

- Basis of valuation of financial investments
- Allocation of support costs
- Depreciation rates for tangible fixed assets
- Donated goods for distribution valuation.

PECAN
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

4. Income from donations and grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Donations and gifts	38,806	210,396	249,202
Gift aid reclaimed	928	17,297	18,225
Grants	20,000	-	20,000
Donated goods distributed to beneficiaries	108,655	-	108,655
Total 2020	168,389	227,693	396,082

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations and gifts	40,857	100,542	141,399
Gift aid reclaimed	1,210	4,029	5,239
Donated goods distributed to beneficiaries	76,401	-	76,401
<i>Total 2019</i>	<i>118,468</i>	<i>104,571</i>	<i>223,039</i>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

5. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Central	-	17,351	17,351
Community Development	-	82,300	82,300
Employability	528,774	36,489	565,263
Women's Services	-	189,288	189,288
Total 2020	<u>528,774</u>	<u>325,428</u>	<u>854,202</u>
	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Central	-	26,534	26,534
Community Development	-	77,363	77,363
Employability	510,750	125,599	636,349
Women's Services	-	156,956	156,956
<i>Total 2019</i>	<u>510,750</u>	<u>386,452</u>	<u>897,202</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

5. Income from charitable activities (continued)

Included within income from charitable activities are the following grants received from government sources. There are no unfulfilled conditions or other contingencies attached to these grants:

	2020	2019
	£	£
Southwark Council - Southwark Employment and Enterprise Scheme 2	7,200	2,327
Southwark Council - Community Capacity and Environment and Ecology grants (FoodBank)	26,000	25,716
Southwark Council - Community Capacity and Environment and Ecology grants (HOurBank)	29,000	27,452
Southwark Council - Southwark Works Framework	31,489	125,599
Prospects Services (DWP) - partly funded by Education and Skills Funding Agency/partly funded by European Social Fund	69,856	84,510
London Community Rehabilitation Company Limited	20,000	5,014
Lambeth Council - Women in Prison	121,344	91,008
G4S - partly funded by The Department of Work and Pensions/partly funded by the European Social Fund	458,919	426,241
	763,808	787,867

6. Income from other trading activities

	Unrestricted funds 2020	Total funds 2020	<i>Total funds 2019</i>
	£	£	£
Meeting room hires	20,000	20,000	28,060
Membership fees	7,978	7,978	-
	27,978	27,978	28,060

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

7. Income from investments

	Unrestricted funds 2020 £	Total funds 2020 £
Dividend income	11,940	11,940
Bank interest receivable	817	817
Total 2020	<u>12,757</u>	<u>12,757</u>
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Dividend income	9,939	9,939
Bank interest receivable	551	551
<i>Total 2019</i>	<u>10,490</u>	<u>10,490</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

8. Expenditure on raising funds

	2020	<i>2019</i>
	£	£
Direct costs	-	-
Support costs	49,910	<i>38,423</i>
	49,910	<i>38,423</i>

The CCLA investment management costs cannot easily be identified as investments held in a “pooled fund”, and hence are not disclosed as costs of raising funds. However, the ‘ongoing charges figures’ for the Investment and Deposit Funds for the year ended 31 March 2020 were 1.01% - 1.04% and 0.24% of capital, respectively.

In 2019 all expenditure on raising funds was from unrestricted funds.

Analysis of support costs

	2020	<i>2019</i>
	£	£
Staff costs	21,955	<i>21,526</i>
Premises	3,462	<i>2,064</i>
Overheads	4,650	<i>4,088</i>
Fundraising	19,843	<i>10,745</i>
	49,910	<i>38,423</i>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

9. Analysis of expenditure on charitable activities - by fund

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Central	123,052	17,351	140,403
Community Development	92,736	217,949	310,685
Employability	426,122	73,036	499,158
Women's Services	-	210,113	210,113
Total 2020	641,910	518,449	1,160,359
	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Central	71,189	26,534	97,723
Community Development	76,401	180,929	257,330
Employability	357,539	127,681	485,220
Women's Services	-	149,503	149,503
<i>Total 2019</i>	<i>505,129</i>	<i>484,647</i>	<i>989,776</i>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

10. Analysis of expenditure on charitable activities - by type

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Central	-	140,403	140,403
Community Development	275,148	35,537	310,685
Employability	404,277	94,881	499,158
Women's Services	180,217	29,896	210,113
Total 2020	<u>859,642</u>	<u>300,717</u>	<u>1,160,359</u>

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Central	-	97,723	97,723
Community Development	224,294	33,036	257,330
Employability	418,819	66,401	485,220
Women's Services	124,375	25,128	149,503
<i>Total 2019</i>	<u>767,488</u>	<u>222,288</u>	<u>989,776</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

10. Analysis of expenditure on charitable activities - by type (continued)

Analysis of support costs

	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	166,370	124,729
Depreciation	12,123	12,125
Project costs	81	-
Human resources	18,705	18,391
Premises	53,292	43,777
Overheads	2,462	(856)
Management services	8,234	9,332
IT support	16,329	5,752
Governance	23,121	9,038
	300,717	222,288

Governance costs are analysed in Note 11.

11. Governance costs

	2020 £	<i>2019 £</i>
Auditors' remuneration - Audit of the financial statements	11,000	6,500
Auditors' remuneration - Other services	3,700	2,000
Consultancy fees	8,378	-
Professional fees	30	-
Other governance costs	13	538
	23,121	9,038

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

12. Staff costs

	2020	<i>2019</i>
	£	£
Wages and salaries	711,497	<i>604,004</i>
Social security costs	57,604	<i>50,811</i>
Pension costs	57,176	<i>44,220</i>
	826,277	<i>699,035</i>

The average number of persons employed by the Charity during the year was as follows:

	2020	<i>2019</i>
	No.	No.
Direct staff	28	<i>23</i>
Support staff	5	<i>5</i>
	33	<i>28</i>

No employee received remuneration amounting to more than £60,000 in either year.

The Charity considers its Key Management Personnel to comprise of the Trustees, the Chief Executive Director. The total amount of employee benefits, including employers national insurance contributions and employers pension contributions, received by Key Management Personnel is £56,791 (2019 - £54,405).

The Senior Management structure changed from 1st April 2020 to include the Head of Operations and the Head of Finance and Resources.

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 March 2020, expenses totalling £15 were reimbursed or paid directly to 1 Trustee (2019 - £NIL). This was for travel costs.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

14. Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 April 2019	656,898	15,531	4,956	677,385
Additions	-	-	1,900	1,900
Disposals	-	(15,531)	-	(15,531)
At 31 March 2020	<u>656,898</u>	<u>-</u>	<u>6,856</u>	<u>663,754</u>
Depreciation				
At 1 April 2019	172,782	15,531	2,971	191,284
Charge for the year	10,138	-	1,985	12,123
On disposals	-	(15,531)	-	(15,531)
At 31 March 2020	<u>182,920</u>	<u>-</u>	<u>4,956</u>	<u>187,876</u>
Net book value				
At 31 March 2020	<u>473,978</u>	<u>-</u>	<u>1,900</u>	<u>475,878</u>
<i>At 31 March 2019</i>	<u>484,116</u>	<u>-</u>	<u>1,985</u>	<u>486,101</u>

Included within freehold land and buildings is land of £150,000 (2019 - £150,000) which is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

15. Fixed asset investments

	CCLA investments £
Cost or valuation	
At 1 April 2019	303,069
Additions	100,000
Revaluations	(20,032)
At 31 March 2020	383,037
Net book value	
At 31 March 2020	383,037
<i>At 31 March 2019</i>	<i>303,069</i>

The fixed asset investments all relate to investments held in CCLA.

16. Stocks

	2020 £	2019 £
Donated goods	15,919	-

17. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	215,430	115,540
Other debtors	376,456	268,242
Prepayments and accrued income	5,527	9,838
	597,413	393,620

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

18. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	23,629	32,915
Other taxation and social security	411,474	308,311
Other creditors	8,640	10,820
Accruals and deferred income	209,114	107,515
	652,857	459,561
	2020	2019
	£	£
Deferred income		
Deferred income at 1 April	99,015	56,893
Resources deferred during the year	194,914	99,015
Amounts released from previous periods	(99,015)	(56,893)
Deferred income at 31 March	194,914	99,015

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Income in respect of the following was received in the 2019/20 financial year but has been deferred to the next financial year:

	2020	<i>2019</i>
	£	£
Lloyds Bank Foundation	-	<i>10,151</i>
The Better Trust	-	<i>8,000</i>
London Community Rehabilitation Company Limited	-	<i>20,000</i>
Women in Prison	30,336	<i>30,336</i>
Tony & Sheelagh Williams Charitable Foundation	10,000	<i>10,000</i>
Charles Haywards Foundation	-	<i>10,000</i>
People's Postcode Trust	-	<i>1,778</i>
Erevena Limited	-	<i>2,500</i>
City Bridge Trust	-	<i>6,250</i>
Guy's and St Thomas Charity grant	90,600	-
Women in Prison RE: London CRC	30,000	-
S.H.E.D	10,000	-
The Henry Smith Grant	15,000	-
ASDA Grant (Large)	3,978	-
W F Southhall Trust	5,000	-
	<hr/>	<hr/>
	194,914	<i>99,015</i>
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

19. Statement of funds

Statement of funds - current year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 March 2020 £
Unrestricted funds						
Designated funds						
Fixed asset fund	370,764	-	-	(2,871)	-	367,893
General funds						
General funds	464,408	205,415	(229,179)	(1,723)	(20,032)	418,889
Employability	-	532,483	(462,641)	-	-	69,842
	464,408	737,898	(691,820)	(1,723)	(20,032)	488,731
Total Unrestricted funds	835,172	737,898	(691,820)	(4,594)	(20,032)	856,624
Endowment funds						
Endowment funds	111,369	-	-	(3,384)	-	107,985
Restricted funds						
General	-	13,916	(21,894)	7,978	-	-
Community Development	24,637	310,853	(249,924)	-	-	85,566
Employability	-	36,519	(36,519)	-	-	-
Women's services / Resettlement	55,448	191,833	(210,112)	-	-	37,169
	80,085	553,121	(518,449)	7,978	-	122,735
Total of funds	1,026,626	1,291,019	(1,210,269)	-	(20,032)	1,087,344

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

19. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/(out) £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2019 £</i>
Unrestricted funds						
Designated funds						
Fixed asset fund	379,515	-	-	(8,751)	-	370,764
General funds						
General funds	305,901	667,768	(543,552)	12,125	22,166	464,408
Total Unrestricted funds	685,416	667,768	(543,552)	3,374	22,166	835,172
Endowment funds						
Endowment funds	114,743	-	-	(3,374)	-	111,369
Restricted funds						
General	10,040	27,046	(27,046)	(10,040)	-	-
Community Development	16,952	178,185	(180,540)	10,040	-	24,637
Employability	-	127,558	(127,558)	-	-	-
Women's services / Resettlement	46,717	158,234	(149,503)	-	-	55,448
	73,709	491,023	(484,647)	-	-	80,085
Total of funds	873,868	1,158,791	(1,028,199)	-	22,166	1,026,626

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

Statement of funds (continued)

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 operation. The transfer out of £2,871 was to recognise fixed asset additions and the depreciation charge on assets held in this fund.

Unrestricted funds are general funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes. The transfer in of £6,255 was to reallocate fixed asset additions and the depreciation charge on assets held in other funds

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.

General restricted funds - These are funds that can be used to support the function of Pecan to deliver services. This can be for capital items and for revenue expenditure to support the furtherance of the organisation's objectives.

Community development fund - Funding for work on the Pecan Foodbank, Hourbank and Community projects.

Employability fund - Funding for use in providing information, advice and guidance (IAG) to clients on incapacity benefit.

Women's services / Resettlement fund - Funding for work on the Women's Service project.

Endowment fund - this 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. The transfer out of £3,384 (2019 - £3,374) was to recognise the depreciation charge on assets held in this fund.

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NOTES TO THE FINANCIAL STATEMENTS
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20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Tangible fixed assets	367,893	-	107,985	475,878
Fixed asset investments	383,037	-	-	383,037
Current assets	758,551	122,735	-	881,286
Creditors due within one year	(652,857)	-	-	(652,857)
Total	856,624	122,735	107,985	1,087,344

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Endowment funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	374,732	-	111,369	486,101
Fixed asset investments	303,069	-	-	303,069
Current assets	616,932	80,085	-	697,017
Creditors due within one year	(459,561)	-	-	(459,561)
Total	835,172	80,085	111,369	1,026,626

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	60,718	152,758
Adjustments for:		
Depreciation charges	14 12,123	12,125
(Losses)/gains on investments	15 20,032	(22,166)
Investment income	7 (12,757)	(10,490)
Decrease/(increase) in stocks	16 (15,919)	-
Increase in debtors	17 (94,920)	(81,669)
Increase in creditors	18 84,423	65,114
Net cash provided by operating activities	53,700	115,672

22. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	267,954	303,397
Total cash and cash equivalents	267,954	303,397

23. Analysis of Net Debt

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	303,397	(35,443)	267,954
	303,397	(35,443)	267,954

24. Pension commitments

The Charity contributes to employees defined contribution stakeholder pension schemes. The amount recognised as an expense in the period was £55,682 (2019 - £42,828). Contributions totalling £4,989 (2019 - £8,248) were payable to the fund at the balance sheet date and are included within creditors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

25. Operating lease commitments

At 31 March 2020 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Not later than 1 year	2,248	3,440
Later than 1 year and not later than 5 years	4,495	6,743
	6,743	10,183

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2020	2019
	£	£
Operating lease rentals	3,521	3,986

26. Related party transactions

During the year, the Charity received a donation of £2,000 (2019 - £NIL) from Tisbury Telegraph Trust of which E Orr is a common Trustee. There were no balances outstanding as at 31 March 2020 (2019 - £NIL).

During the year, the Charity made payments totalling £3,810 (2019 - £NIL) to All Saint's Church of which E Orr is a common Trustee. The payments were for rental of space at the church. £720 (2019 - £NIL) was payable to All Saint's Church as at 31 March 2020 (2019 - £NIL).

During the year, unrestricted donations made from individual Trustees totalled £600 (2019 - £NIL).

There were no other related party transactions in either the current or previous reporting years, other than Key Management Personnel remuneration disclosed in Notes 12 and 13.

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Major funders

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

Trusts

Fitton Trust
The Tisbury Telegraph Trust
The Souter Charitable Trust
The Alchemy Foundation
The Worshipful Company of Launderers
The Roger Vere Foundation
Harapan Trust
The White Benevolent Fund
The W F Southall Trust
The Henry Smith Charity
The David Isaacs Fund
The Trussel Trust
The National Lottery community Fund
Southwark Friends
The 29th May 1961 Charitable Trust
The Sir James Roll Charitable Trust
London Catalyst
The S M B Trust
Leigh Trust
Southwark Charities
The Tony And Sheelagh William Charitable Foundation
The Tay Charitable Trust
Garfield Weston Foundation
Community Southwark

Companies

LNx Ltd
Sainsbury's Supermarkets Limited
Tesco UK
The Co-operative group
Bates Wells Braithwaite
Boyer
Street Dots Ltd
Stotyful Ltd
Form SE15
The White Horse
Prince of Peckham
HG Capital LLP
Engie Regeneration

Churches

All Saints Church (Peckham branch)
Brandon Baptist Church
Celestial Church
Christ Apostolic Church
Christ Church Peckham
City Hope Church
C P M I
Dulwich Grove United Reformed Church
Jesus Sanctuary Ministries Ltd
Peckham Methodist Church
Rye lane Chapel
St Barnabas Parish Hall
St George's Camberwell
St James's Church, Bermondsey
St Luke's Church Peckham
St Mary Magdalene Church Peckham
UCKG HelpCentre Peckham
United Reformed Church
Walworth Methodist Church (Clubland)