

PECAN
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

PECAN
(A Company Limited by Guarantee)

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PECAN
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

Trustees	Paul Jones, Chair of Trustees Eleanor Orr, Treasurer Omorinola Obembe (resigned 25 April 2022) Alison Inglis Jones (resigned 6 May 2022) Graham Gordon (resigned 3 March 2022) David Porter Albert Acheampong Berchie Bonike Bracewell Dora Dixon-Fyle (resigned 6 October 2022) Isabel Lennox
Company registered number	02394165
Charity registered number	801819
Registered office	121A Peckham High Street London SE15 5SE
Company secretary	Christopher Price
Senior management	Christopher Price - Chief Executive Officer Magni Sylvie Bissileu - Head of Finance and Resources Deborah Hayman-Nkhoma - Head of Services Sharon Hunt - Head of Community Food Projects (appointed 14 March 2022)
Independent auditor	MHA MacIntyre Hudson Statutory Auditor 6th Floor 2 London Wall Place London, United Kingdom EC2Y 5AU

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees of Pecan present their report together with the financial statements for the year ended 31 March 2022.

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 listed 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.

Recruitment and Appointment of Members and Trustees

Members

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.

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 as 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.

Members are invited to an annual meeting. The annual meeting must include Pecan's Annual General Meeting and may also include:

A speaker invited to give a presentation about a Christian response to a specific area of social justice/action

A forum session to discuss Christian social action in Southwark

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

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 are 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.

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.

Senior Management

The management personnel consist of the Chief Executive Officer (CEO), Head of Finance and Resources, Head of Services, Head of Community Food Projects 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 an 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.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

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;

Cost of Living Crisis – This is affecting our clients, suppliers and resources. As inflation continues to grow driven by the cost of essentials such as food and energy, the effect on Pecan and the people we support is sharply felt.

Pecan is seeing an increase in people accessing food and feeling overwhelmed by the situation in front of them. As an organisation we can reduce the effects of the crisis through the supply of food, advice and friendship.

Pecan is seeing increased costs to provide the service. Our suppliers such as IT and fundraising have raised their costs by over 9%. Utilities are going up dramatically and the cost of stationery and other resources are increasing in line with or above inflation.

Fundraising is getting harder again. Individuals, companies and trusts are all seeing a squeeze on their resources and an increase from charities seeking support. This will put pressure on Pecan to keep pace with funding being available.

Our staff team are seeing the value of their income falling. We may not be able to offer the wage rise needed to keep up with the spiralling costs of living. This runs the risk of reducing staff retention and limiting recruitment.

Pecan is using reserves to ensure we can provide essential services during this crisis. We recognise that this is not a sustainable solution and that we will need to manage budgets extremely well during the coming year.

Covid 19 – At the time of writing this is under better control in the community and all services are open. The pandemic has had a lasting impact economically and socially on communities across the country. The potential for further shutdowns over the winter is real. Pecan has in place protocols that can be re-established to protect staff and clients if required.

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.

Response

Our operational and reputational risks are coordinated through our management structure. All managers take responsibility for the morale and attitude to work within teams, with goals and targets being supported by the CEO. All social media is managed by the Marketing 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 are monitored by the Head of Finance and Resources and CEO.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

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.

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;

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

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.

Many of our clients suffer from the consequences of wrong decisions, resulting in missed opportunities. We can reflect this in the life stories of Pecan as a team.

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.

Progress towards objectives during 2021 - 2022

The year started with the country still in the grips of the Covid 19 pandemic. As the year went on, most of the country settled into a new normality, and businesses and services started to open up more and more. With the changing situation in the year, our pandemic-based response transformed into a post pandemic model. The aftereffects of the pandemic included a dramatic drop in wellbeing and an increase in the cost of living.

For the first time ever, Southwark Foodbank saw a drop in the number of people being referred. Although this sounds positive. The 2020/21 figures had been a rise of 189% on 2019/20. This year was the second highest number of people being fed on record and a rise of 42% on 2019/20. During the year the service reverted to in-person collections and vastly reduced numbers of deliveries. The key reason for this was to ensure we met with people and focused our services on moving people away from a reliance on free food, and to provide a dignified response to the economic crisis people are facing.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

In this year Southwark Foodbank became part of the Trussell Trust Pathfinder Programme. This is programme supports foodbanks to look differently at the services they run with a focus on 'Ending the NEED for foodbanks'. Through this funding we have been able to employ staff who are not just looking at food distribution, but at the structures needed to move away from a crisis situation. This includes looking at what support is needed for the individual, and to campaign for change where it is the structure that needs to change and not the individual.

Peckham Pantry completed its first full financial year as a 6 day a week operation. It has remained open throughout the year and the number of visits has increased dramatically. They have built a strong reputation in the community and have a significant number of regular members who are making some amazing savings and starting to be able to improve diets and financial situations. The largest issue for the Pantry has continued to be a regular supply of good food. With the right foods in stock, the numbers coming to the pantry will continue to grow.

Throughout the year the Women's Service has continued to offer a blended service of in-person and online interventions. The re-opening of the Southwark and Lewisham Hubs was an important step for increasing wellbeing. Many of the women who access the services were extremely vulnerable and lockdown increased their vulnerability and risk levels, especially women being released from prison into lockdown situations. The Women's Service team continued to publish monthly wellbeing packs and send them to all women being supported. Many times women commented on these being a real lifeline to know that someone cared, even if they were not able to engage in other groups.

The lockdown was very difficult for a lot of HOurBank members. Many are not digitally minded. Although the team were able to support some members with equipment and basic training, their mindset was not always to digital by default. To ensure that people were not excluded, the HOurBank team continued to make wellbeing calls and send out wellbeing packs. When we were able to meet again in person during the year, this had a very positive impact on many members as the All Saints Café reopened, and the various groups started to meet again. During the year Salam FC lost their playing pitch due to the Burgess Park refurbishment, they have been 'homeless' ever since and playing in different parks when possible.

During the year the funding for Family Works and Journey 2 Work came to an end. Our new programmes of Steps 2 Success (working with parents of primary school children), and Positive Turn Around (working with people with criminal records) grew during the year. Our long-running National Careers Service provision was able to return to face-to-face provision. These services all helped to see an increase in numbers from the previous year. The employment market had become more buoyant with the returning to work from lockdown, although there are still gaps between jobs available, skills and salaries required to meet the needs of employees and employers.

This for Pecan has been a year of recovery and re-evaluation. The pandemic in many ways will be seen as a blip in statistics, but in terms of people's wellbeing and goal setting, it has made a fundamental change. Our post pandemic mission will be to support people through situations they are facing, to campaign for change, and to support people to be advocates for change.

What have service users said this year?

Employment Support client

"This is a miracle, I did not think things can turn around so quickly, I am so happy and felt more confidence that things are going to work out fine for me."

HOurBank Member

"It is so nice to receive the Well-being Pack I enjoy doing the quiz and the jokes and share them with others".

"HOurBank makes the area a good to live because it is a reason to get up get dressed up and look forward to meeting friendly faces. After 2 years of Covid indoors it is great to get out more."

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

Peckham Pantry Member

"Peckham Pantry has been amazing, the staff can't help enough, lots of families can now make wholesome meals [and] save money for those other things like your bills. I share stuff with neighbours and when I cook everyone can get some. I honestly can't praise you guys enough, thank you."

Foodbank Client

"I thank you for all of your help and I thank the foodbank and all those who have helped me during my time of need."

Women's Services client

"I feel like I'm part of the world again, I'm feeling alive again"

Volunteering

Volunteers are essential to the services being able to go beyond a basic response. They provide additional resources, friendship, and skills in the running of every aspect of Pecan. This is what makes such a difference to the experience everyone who visits Pecan receives. We have seen a healthy turnover of volunteers in the services with an increasing number ending their volunteering to go into employment.

Southwark Foodbank and Peckham Pantry continue to hold the vast majority of volunteer posts due to the nature of their operation. Volunteers are welcome in every project and in our central service.

Without the compassion and dedication of our volunteers, Southwark Foodbank would not have been able to meet the challenge of so many people who fell into food insecurity during the pandemic. Thank you to each and every one of you.

Volunteer statistics in Pecan's premises	
Average number of volunteers per month	34
Average number of hours volunteered a month	400
Average number of hours each volunteer donated a month	11.75
Value @ London Living Wage (£11.05 per hour)	£52,974

Achievement and performance

This year has been a mix of both Covid response and post Covid response. We have operated services, online and face to face at different times throughout the year. Covid has affected our whole staff team with most staff being infected at some stage or other during the year. This has had a knock-on effect on performance and consistency. It has also added pressures to colleagues who at the time were not affected. Despite the pressures on the staff team, we were able to support our second highest number people in a year.

Employment support saw an increase in the number of people supported over the previous year, although figures were below the pre-pandemic time. This is due to a change in contracts and an improved employment situation in the community. We have been finding that the people we are supporting are needing resources that go beyond the parameters of the contracts we are running, and we therefore made onward referrals where appropriate.

Foodbank saw its figures reduce for the first time ever. This is because the previous year was an exceptional year due to the response of the pandemic. Taking that year out, there is still a 43% rise in the number of people being fed from the previous busiest year of 2019/20, due to the cost-of-living crisis as well as coming out of Covid 19. With a reducing number of volunteers as people moved back into work, the team relied on more paid staff to ensure that food was supplied, and advice was available to clients.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Women's Hubs opened again during the year for one-to-one appointments. This was vital for some of the most vulnerable women supported, as this may well have been the only positive contact they had that week. With the introduction of a new 1-year contract with MOPAC and Ministry of Justice to support women leaving prison, and a new referral system, we saw an increase in the number of women being referred to the project.

HOurBank clients continued to remain engaged through regular 'wellbeing packs' being posted with articles and activities whilst in lockdown. Alongside the Zoom-based discussion groups, members engaged in face-to-face activities towards the end of the year. These all helped people out of isolation and created positive community engagement.

Projects	Number of Clients Supported		
	2019/20	2020/21	2021/22
Employment Support (clients accessing the service)	1091	576	850
Foodbank (people supplied food)	6,548	18,978	9,363
Women's Services (Women referred to services)	300	125	350
HOurBank (active members)	200	162	140
Peckham Pantry (visits to a pantry)	715	6,164	15,014
Total Number of Clients Supported:	8,139	26,005	25,717

Future Plans

In 2020 Pecan 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 are facing just have one issue ; 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, and we want to take this Hub model forward across all of our services, most of which are already operating as a Hub.

Pecan's Women's Service manages Southwark and Lewisham's Women's Hubs. 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 operate the hub from a permanent location on a full-time basis, so as not to restrict access, and to be available at times of crisis.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

Pecan has changed the structure of our food programmes to be under 'Pecan Food Services'. This brings together the development and the practical operations of both Southwark Foodbank and Peckham Pantry. This will enable the projects to focus on outcomes rather than just outputs.

Southwark Foodbank is working with Trussell Trust as part of their Pathfinder Programme to develop a strategy that goes beyond people needing a foodbank. To do this takes policy change and new structures in the community that support people when they need help. As part of this, we are going to be working with people accessing the foodbank and members of the Pantry to develop a 'Truth to Power' style influencing model, so that the issues and words of the people affected by poverty, can influence decision making.

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 for the various issues they are facing. With the Pantry being open 6 days a week, we have a great opportunity to see how this can be a hub for the local community where more than just good food is shared.

Pecan is now the host of Southwark Food Action Alliance. This scheme helps to bring together community food providers in the borough, to review needs and to learn together how best to service the community and duplicate less. One aim is to bring dignity to the forefront of all activities, ensuring we are providing with clients, rather than providing to clients.

Employment support is in a process of re-thinking our reach. For many years Pecan has delivered 'payment by results' contracts, and we have recognised that these don't always meet the needs of people facing more complex barriers. Pecan is developing a course-based approach to supporting people into employment that looks beyond just the job focus, and includes a holistic approach to life, skills and confidence.

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, and gardening teams. They also operate community cafés 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.

Pecan continues to review how best to use our premises in Peckham High Street. We need to ensure that the premises works for the services we are looking to deliver in the community, and for the sustainability of the Charity.

Contracts, fundraising and facilities performance

During the year, Pecan's two contracts with G4S (Welfare to Work) came to an end after four years. Pecan continued to deliver on the extended National Careers Service contract with Shaw Trust / Prospects. At the end of the previous financial year Pecan started two new contracts one with LTEN to support ex-offenders into employment and another with Step Ahead to support families with primary school age children. Both are funded by the Mayor for London and ESF.

Pecan's Women's Service 3-year contract with the Mayor's Office for Policing and Crime (MOPAC) to deliver Southwark and Lewisham Women's Hubs was extended until September 2022. This included the extension of the Diversion project from the same funder.

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 and sent by either Head of Services or CEO. We have paid £10,866 for their services during the year and for this they have secured/received pledges for £156,088. The CEO directly manages the contact with Felton Fundraising, with support from the Partnerships Manager. Felton's reports are shared with the board of directors.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

Community fundraising is the responsibility of Pecan's Partnership Manager. This 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 engaged, in the last year one consultant was engaged.

Pecan is regulated by the Fundraising Regulator and adheres to the requirements. In 2020/21 no fundraising complaints were received.

Over the year we have used 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 although they have both been working from home for most of the year. Our meeting rooms were not able to be used by any community groups during the year. This led to a reduction in income from the premises.

Financial Review

Our incoming resources in 2021/22 is £1,411,541 compared to £2,152,992 last year. The income is a mixture of Restricted Income of £795,556 (2021 - £1,528,746) where the funder determines what we spend the money on and Unrestricted Income of £615,985 (2021 - £624,246) which has no spending restrictions imposed. The Charity held equity-based investment increased in value by £37,535 (2021 - increased in value by £80,784) which was allocated to the unrestricted fund.

Expenditure incurred during the year was £1,720,849 (2021 - £1,702,426) leaving a net deficit before transfers for the year of £309,308 (2021 - £450,566) split as £103,395 restricted deficit (2021 - £354,011 surplus), £202,539 unrestricted deficit (2021 - £99,929 surplus) and £3,374 endowment deficit (2021 - £3,374).

Our restricted fund has decreased due to this year's net movement in funds after transfers to £373,351 (2021 - £476,746).

The unrestricted fund has decreased due to this year's net movement in funds after transfers to £872,333 (2021 - £1,037,337) of which we hold Designated Funds of £353,415 (2021 - £360,179) representing the Fixed Assets and General Funds of £518,918 (2021 - £677,158).

Reserves

Total funds held by the Charity as at 31st March 2022 were £1,346,921 (2021 - £1,618,694). 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 £724,236 should be held in free reserves (unrestricted reserves excluding tangible fixed assets). Against the target we are holding £515,264 in free reserves at the year end.

Restricted reserves at year end amounted to £373,351 (2021 - £476,746) 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 £353,415 (2021 - £360,179) which represent the value of the tangible fixed asset and a further Endowment funds of £101,237 (2021 - £101,237) 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.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The remaining free reserve held at the year-end amounted to £518,918 (2021 - £677,158). 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.

Investment performance

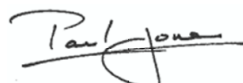
In investing the Charity's assets, the Trustees aim to generate a reasonable income, whilst investing safely, ethically and in such a way that they are accessible to support cashflow or to cover any funding shortfall. In order to meet these objectives, the Trustees invest the bulk of the Charity assets in the CCLA Charity Official Investment Fund (COIF) and cash. At the end of the year, the Charity held £645,672 (2021 - £781,530) in various bank deposits and £501,356 (2021 - £463,821) 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 £13,035 (2021 - £13,594) and interest received of £1,058 (2021 - £318) were reasonable.

In 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.
- The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved and authorised for issue by the Trustees and signed on its behalf by:



.....
Paul Jones
Chair

Date: 06 December 2022

PECAN

(A Company Limited by Guarantee)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2022**

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:

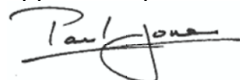
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject 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: 06 December 2022

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 2022 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 2022 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance about any instances of non-compliance with laws and regulations;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

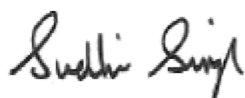
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

PECAN
(A Company Limited by Guarantee)

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

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

Statutory Auditor

London, United Kingdom

Date: 22 December 2022

PECAN
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and grants	4	323,043	288,201	-	611,244	1,188,359
Charitable activities	5	277,309	507,355	-	784,664	950,721
Other trading activities	6	1,540	-	-	1,540	-
Investments	7	14,093	-	-	14,093	13,912
Total income		615,985	795,556	-	1,411,541	2,152,992
Expenditure on:						
Raising funds	8	60,319	-	-	60,319	43,692
Charitable activities	9,10	758,205	898,951	3,374	1,660,530	1,658,734
Total expenditure		818,524	898,951	3,374	1,720,849	1,702,426
Net income/ (expenditure) before net (losses)/gains on investments		(202,539)	(103,395)	(3,374)	(309,308)	450,566
Net gains on investments	15	37,535	-	-	37,535	80,784
Net movement in funds		(165,004)	(103,395)	(3,374)	(271,773)	531,350
Reconciliation of funds:						
Total funds brought forward		1,037,337	476,746	104,611	1,618,694	1,087,344
Net movement in funds		(165,004)	(103,395)	(3,374)	(271,773)	531,350
Total funds carried forward		872,333	373,351	101,237	1,346,921	1,618,694

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 22 to 48 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	14		454,742		464,790
Investments	15		501,356		463,821
			956,098		928,611
Current assets					
Stocks	16	36,519		45,000	
Debtors	17	130,593		562,481	
Cash at bank and in hand	22	645,672		781,530	
		812,784		1,389,011	
Creditors: amounts falling due within one year	18	(421,961)		(698,928)	
Net current assets			390,823		690,083
Total net assets			1,346,921		1,618,694
Charity funds					
Endowment funds	19		101,237		104,611
Restricted funds	19		373,351		476,746
Unrestricted funds	19		872,333		1,037,337
Total funds			1,346,921		1,618,694

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 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: 06 December 2022



.....
Eleanor Orr
Treasurer

The notes on pages 22 to 48 form part of these financial statements.

PECAN
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	21	(147,872)	499,664
Cash flows from investing activities			
Investment income	7	14,093	13,912
Purchase of tangible fixed assets	14	(2,079)	-
Net cash provided by investing activities		12,014	13,912
Change in cash and cash equivalents in the year		(135,858)	513,576
Cash and cash equivalents at the beginning of the year		781,530	267,954
Cash and cash equivalents at the end of the year	22	645,672	781,530

The notes on pages 22 to 48 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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. To consider the Charity's solvency and liquidity, forecasts have been prepared for a period to March 2023, 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 2022

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 Termination payments

Termination payments are recognised immediately upon becoming a constructive obligation.

2.6 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.

2.7 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 2022

2. Accounting policies (continued)

2.8 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.

2.9 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.

2.10 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.

2.11 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.

2.12 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 2022

2. Accounting policies (continued)

2.13 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.

2.14 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.

2.15 Operating leases

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

2.16 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 2022

2. Accounting policies (continued)

2.17 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4. Income from donations and grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Donations and gifts	121,320	228,427	349,747
Gift aid reclaimed	4,687	22,018	26,705
Grants	-	37,756	37,756
Donated goods distributed to beneficiaries	197,036	-	197,036
Total 2022	323,043	288,201	611,244
	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations and gifts	105,112	530,083	635,195
Gift aid reclaimed	5,672	46,436	52,108
Grants	-	78,260	78,260
Donated goods distributed to beneficiaries	422,796	-	422,796
Total 2021	533,580	654,779	1,188,359

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

5. Income from charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Central	29,810	-	29,810
Community Development	62,031	275,344	337,375
Employability	185,468	-	185,468
Women's Services	-	232,011	232,011
Total 2022	277,309	507,355	784,664

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Community Development	30,784	244,882	275,666
Employability	45,970	373,339	419,309
Women's Services	-	255,746	255,746
Total 2021	76,754	873,967	950,721

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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:

	2022 £	2021 £
Southwark Council - Community Capacity and Environment and Ecology grants (FoodBank)	26,000	26,000
Southwark Council - Community Capacity and Environment and Ecology grants (HOurBank)	29,000	29,000
Southwark Council - Improving life grant (HOurBank)	-	1,000
Southwark Council - Black history Month Grant (HOurBank)	440	-
Southwark Council - Local Project (HOurBank)	800	-
Southwark Council - Covid 19 Funding (Foodbank)	10,597	-
Prospects Services (DWP) - partly funded by Education and Skills Funding Agency/partly funded by European Social Fund	66,412	45,790
London Community Rehabilitation Company Limited	20,000	30,000
Lambeth Council - Women in Prison	121,344	121,344
G4S - partly funded by The Department of Work and Pensions/partly funded by the European Social Fund	59,294	289,404
Advance Charity - Ministry of Justice	37,750	32,402
Step Ahead - The Mayor's European Social Fund (ESF) 2019-23 Programme	22,260	-
LTEN - The Mayor's European Social Fund (ESF) 2019-23 Programme Round 2 -Ex-Offenders	27,876	-
DWP - DPS PCAB	17,200	-
	438,973	574,940

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

6. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Meeting room hires	1,540	1,540	-

7. Income from investments

	Unrestricted funds 2022 £	Total funds 2022 £
Dividend income	13,035	13,035
Bank interest receivable	1,058	1,058
Total 2022	14,093	14,093

	Unrestricted funds 2021 £	Total funds 2021 £
Dividend income	13,594	13,594
Bank interest receivable	318	318
Total 2021	13,912	13,912

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. Expenditure on raising funds

	Unrestricted funds 2022 £	Total funds 2022 £
Support costs	60,319	60,319
	Unrestricted funds 2021 £	Total funds 2021 £
Support costs	43,692	43,692

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 2022 were 1.01% - 1.04% and 0.24% of capital, respectively.

In 2021 all expenditure on raising funds was from unrestricted funds.

Analysis of support costs

	2022 £	2021 £
Staff costs	28,553	23,201
Fundraising	31,766	20,491
	60,319	43,692

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. Analysis of expenditure on charitable activities - by fund

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Central	186,728	40,782	3,374	230,884
Community Development	270,644	526,763	-	797,407
Employability	300,833	42,531	-	343,364
Women's Services	-	288,875	-	288,875
Total 2022	758,205	898,951	3,374	1,660,530
	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Central	20,002	29,713	3,374	53,089
Community Development	393,715	550,768	-	944,483
Employability	66,908	352,466	-	419,374
Women's Services	-	241,788	-	241,788
Total 2021	480,625	1,174,735	3,374	1,658,734

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

10. Analysis of expenditure on charitable activities - by type

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Central	17,675	213,209	230,884
Community Development	626,102	171,305	797,407
Employability	291,617	51,747	343,364
Women's Services	236,896	51,979	288,875
Total 2022	1,172,290	488,240	1,660,530

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Central	-	53,089	53,089
Community Development	738,338	206,145	944,483
Employability	323,015	96,359	419,374
Women's Services	205,742	36,046	241,788
Total 2021	1,267,095	391,639	1,658,734

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	276,280	194,947
Depreciation	10,139	11,088
Project costs	276	(1,374)
Human resources	27,438	18,260
Premises	55,481	103,865
Overheads	1,151	1,839
Management services	11,525	11,414
IT support	7,958	3,035
Governance	38,999	48,565
Irrecoverable VAT expenditure	58,993	-
	488,240	391,639

Governance costs are analysed in Note 11.

11. Governance costs

	2022 £	2021 £
Auditors' remuneration - Audit of the financial statements	15,000	12,500
Auditors' remuneration - Other services	3,000	2,500
Consultancy fees	19,526	14,506
Professional fees	650	13,890
Other governance costs	823	5,169
	38,999	48,565

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

12. Staff costs

	2022	2021
	£	£
Wages and salaries	920,384	787,926
Social security costs	72,405	63,091
Pension costs	77,155	62,080
	1,069,944	913,097

Included within staff costs above are termination benefits of £6,863 (2021 - £7,068), of which £500 were non-contractual benefits (2021 - £NIL) awarded with Trustee approval.

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

	2022	2021
	No.	No.
Direct staff	32	28
Support staff	10	6
	42	34

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, Head of Services, Head of Community Food Projects and Head of Finance & Resources. The total amount of employee benefits, including employer's national insurance contributions, received by Key Management Personnel is £134,585 (2021 - £130,547, when Key Management Personnel comprised the Trustees, the Chief Executive Officer, Head of Operations and Head of Finance and Resources).

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, expenses totalling £NIL were reimbursed or paid directly to one Trustee (2021 - £30 to one Trustee for governance training costs).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

14. Tangible fixed assets

	Freehold land and buildings £	Office equipment £	Total £
Cost or valuation			
At 1 April 2021	656,898	6,856	663,754
Additions	-	2,079	2,079
At 31 March 2022	656,898	8,935	665,833
Depreciation			
At 1 April 2021	193,058	5,906	198,964
Charge for the year	10,138	1,989	12,127
At 31 March 2022	203,196	7,895	211,091
Net book value			
At 31 March 2022	453,702	1,040	454,742
At 31 March 2021	463,840	950	464,790

Included within freehold land and buildings is land of £150,000 (2021 - £150,000) which is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

15. Fixed asset investments

	CCLA investments £
Cost or valuation	
At 1 April 2021	463,821
Revaluations	37,535
	<u>501,356</u>
At 31 March 2022	<u>501,356</u>
Net book value	
At 31 March 2022	501,356
At 31 March 2021	<u>463,821</u>

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

16. Stocks

	2022 £	2021 £
Donated goods	<u>36,519</u>	<u>45,000</u>

17. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	90,526	79,808
Other debtors	6,389	466,856
Prepayments and accrued income	33,678	15,817
	<u>130,593</u>	<u>562,481</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	34,976	8,415
Other taxation and social security	30,966	500,633
Other creditors	11,075	23,969
Accruals and deferred income	344,944	165,911
	421,961	698,928
	2022 £	2021 £
Deferred income		
Deferred income at 1 April	150,911	194,914
Resources deferred during the year	360,004	150,911
Amounts released from previous periods	(150,911)	(194,914)
Deferred income at 31 March	360,004	150,911

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. Creditors: Amounts falling due within one year (continued)

Income in respect of the following was received in the 2021/22 financial year but has been deferred to the next financial year:

	2022	2021
	£	£
The Fyrish Foundation	-	25,000
Garfield Foundation	-	25,000
Your Local Pantry	-	6,000
NHS South East London	50,000	-
Southwark Council	29,810	-
SHELL	4,600	46,083
Trussel Trust PathFinder	126,476	18,000
Guy's and St Thomas Charity grant	96,702	-
S.H.E.D	14,583	12,500
The Henry Smith Grant	34,800	15,000
ASDA Grant (Large)	3,033	3,328
	<hr/>	<hr/>
	360,004	150,911
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

19. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds					
Designated funds					
Fixed asset fund	360,179	-	(6,764)	-	353,415
General funds					
General funds	628,254	365,227	(428,838)	37,535	602,178
Employability	48,904	185,711	(300,833)	-	(66,218)
Community Development	-	65,047	(82,089)	-	(17,042)
	677,158	615,985	(811,760)	37,535	518,918
Total Unrestricted funds	1,037,337	615,985	(818,524)	37,535	872,333
Endowment funds					
Endowment funds	104,611	-	(3,374)	-	101,237
Restricted funds					
General	21,287	14,215	(40,782)	-	(5,280)
Community Development	381,808	530,276	(526,763)	-	385,321
Employability	20,873	7,565	(42,531)	-	(14,093)
Women's services	52,778	243,500	(288,875)	-	7,403
	476,746	795,556	(898,951)	-	373,351
Total of funds	1,618,694	1,411,541	(1,720,849)	37,535	1,346,921

PECAN
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds					
Designated funds					
Fixed asset fund	367,893	-	(7,714)	-	360,179
General funds					
General funds	418,889	578,276	(449,695)	80,784	628,254
Employability	69,842	45,970	(66,908)	-	48,904
	488,731	624,246	(516,603)	80,784	677,158
Total Unrestricted funds	856,624	624,246	(524,317)	80,784	1,037,337
Endowment funds					
Endowment funds	107,985	-	(3,374)	-	104,611
Restricted funds					
General	-	51,000	(29,713)	-	21,287
Community Development	85,566	847,010	(550,768)	-	381,808
Employability	-	373,339	(352,466)	-	20,873
Women's services	37,169	257,397	(241,788)	-	52,778
	122,735	1,528,746	(1,174,735)	-	476,746
Total of funds	1,087,344	2,152,992	(1,702,426)	80,784	1,618,694

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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.

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.

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 - 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	353,505	-	101,237	454,742
Fixed asset investments	501,356	-	-	501,356
Current assets	439,433	373,351	-	812,784
Creditors due within one year	(421,961)	-	-	(421,961)
Total	872,333	373,351	101,237	1,346,921

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	360,179	-	104,611	464,790
Fixed asset investments	463,821	-	-	463,821
Current assets	912,265	476,746	-	1,389,011
Creditors due within one year	(698,928)	-	-	(698,928)
Total	1,037,337	476,746	104,611	1,618,694

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

21. Reconciliation of net movement in funds to net cash flow from operating activities

		2022 £	2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)		(271,773)	531,350
Adjustments for:			
Depreciation charges	14	12,127	11,088
(Gains)/losses on investments	15	(37,535)	(80,784)
Investment income	7	(14,093)	(13,912)
Decrease/(increase) in stocks	16	8,481	(29,081)
(Increase)/decrease in debtors	17	(26,952)	34,932
Increase in creditors	18	181,873	46,071
Net cash provided by/(used in) operating activities		(147,872)	499,664

22. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	645,672	781,530
Total cash and cash equivalents	645,672	781,530

23. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	781,530	(135,858)	645,672
	781,530	(135,858)	645,672

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

24. Pension commitments

The Charity contributes to employees defined contribution stakeholder pension schemes. The amount recognised as an expense in the period was £77,155 (2021 - £62,080). Contributions totalling £6,232 (2021 - £17,071) were payable to the fund at the Balance Sheet date and are included within Creditors: Amounts falling due within one year.

25. Operating lease commitments

At 31 March 2022 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	2,248	2,248
Later than 1 year and not later than 5 years	-	2,248
	2,248	4,496

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

	2022 £	2021 £
Operating lease rentals	2,248	2,248

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

26. Related party transactions

During the year, the Charity received donations of £3,000 (2021 - £6,500) from Tisbury Telegraph Trust of which E Orr is a common Trustee. £1,000 of these donations were restricted for Community Development activities (2021 - £NIL restricted). There were no balances outstanding as at 31 March 2022 (2021 - £NIL).

During the year, the Charity received donations of £4,800 (2021 - £NIL) from All Saint's Church of which E Orr is a common Trustee. All of these donations were restricted for Community Development activities (2021 - £NIL restricted). There were no balances outstanding as at 31 March 2022 (2021 - £NIL).

During the year, the Charity made payments totalling £7,650 (2021 - £3,454) to All Saint's Church of which E Orr is a common Trustee. The payments were for rental of space at the church. £900 (2021 - £NIL) was payable to All Saint's Church as at 31 March 2022.

During the year, the Charity received donations of £200 (2021 - £NIL) from Trustee Paul Jones. All of these donations were restricted for Women's Services activities (2021 - £NIL restricted). There were no balances outstanding as at 31 March 2022 (2021 - £NIL).

During the year, unrestricted donations made from individual Trustees totalled £60 (2021 - £110).

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

27. Major funders

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

Trusts

Bates Wells Foundation
Enid Slater Charitable Trust
Fitton Trust
Guys and St Thomas' Charity
Henry Smith Charity
Invesco Cares Foundation
Marsh Christian Trust
National Lottery
PWC Foundation
SHED
Shell
The big Give
The David Foundation
The Social Bite Fund
The Worshipful Company of Launderers
Tisbury Telegraph Trust
TK Maxx and Homesense Foundation
Trussell Trust

Companies

Alma Jean Henry
ASDA
Benevity
BPL Global
Co Op Local Community Fund
Communication Worker's Union
DJJ Consulting Ltd
F A Albin & Sons
Fish Need Water
Folio Society
Ji Wingting Limited
M Manze Ltd
Making A Locally
Peckham Platform
Platypus Digital
Press Data Ltd
Sainsbury
Southbank Investment Research
Sundy
Team Lewis
Temple Trading Ltd
The Barratt Development
The Co Op Funeral Care
The Garden production Ltd
Unite Le
Veritas Investment Management
Womble Bond Dickinson

Churches

All Saints Church Peckham
Celestial Church of Christ (Elephant & Castle Parish)
Christ People's Missionaries International (CPMI) Church
City Hope Church
Faith Temple
Rye Lane Chapel
St Agnes Church Kennington Park
St Agnes Church, Kennington
St George's Camberwell
Walworth Methodist Church

Community Organisations

Camberwell and Peckham Labour Party
Shad Thames Residents Association
Southwark Friends
James Allens Girls