



## Annual Report

April 2012 - March 2013

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## Executive Summary

### **Informal mining report**

The informal mining industry remains a central policy concern due to its large scale and association with organised crime, deforestation, severe environmental pollution and poor working conditions. As President Humala's administration aims to eliminate illegal mining, the PSG's September research report discussed the distinctions between informal mining on different scales and explored appropriate policy responses for each. The report argues that greater support for properly regulated artisanal mining could create decent jobs with a much smaller environmental impact. The report provided a basis for further engagement with Peruvian civil society groups and officials, as well as international experts.

### **'Torture at the Río Blanco mine: a state-corporate crime?' learning portal**

For several years, the Peru Support Group has worked with the Río Blanco community and its representatives who are concerned about mining operations in the area. In 2005, 33 community members who had been peacefully demonstrating against the mine claimed they were kidnapped and beaten by police and mine security personnel. In 2011, they received compensation from the British company that had owned the mine at the time, Monterrico Metals, although the company did not admit liability. We collaborated with King's College London and the University of Ulster to produce a case study exploring the key issues raised by the conflict surrounding the Rio Blanco mining project. The portal was launched in late 2012 and expected to receive 20,000 visits per month.

### **Advocacy and inter-agency collaboration**

Working with UK and European NGOs, we have alerted decision-makers to concerns about the treatment of human rights defenders and protesters in Peru. Following violent confrontations around an Xstrata mine in May 2012, our parliamentary allies urged the UK Ambassador to Peru to visit the community concerned, engaged in correspondence with Xstrata, and raised concerns with the Minister for Latin America. The PSG also wrote to the Minister directly about police abuses and the detention of a social leader who was mediating in the conflict over the Conga project. In addition, we helped to ensure that the president of the European Council raised the issue of the criminalisation of social protest when he met President Humala.

### **Extractives and development conference**

With extractive industries continuing to dominate the Peruvian economy and fuel social and environmental conflict, we held a conference with the University of London's Institute for the Study of the Americas and the Bolivia Information Forum. Speakers examined alternative strategies for mining-based economies to maximise benefits, minimise negative impacts, and enable countries to transition to more diverse and sustainable economies. Contributions from Peruvian, Bolivian and Ecuadorian experts in various sectors allowed for a comparative, regional perspective.



### **Changes in the PSG presidency**

After ten years as a highly committed and active parliamentary ally, Lord Avebury stepped down from the PSG presidency in November. We would like to thank him for his tireless work in support of human rights and social justice in Peru over the years. At the AGM, the appointment of Baroness Coussins as his replacement was approved. She brings to the PSG expertise in corporate responsibility, which she has deployed in the past as a parliamentary volunteer in Peru. Rosemary Thorp, emeritus fellow at the University of Oxford and Research Associate at its Latin American Centre, shares some of the responsibilities as our new vice-president. She offers a deep understanding of economic inequality in Peru and the role of major development agencies through her past work with Oxfam. We are very pleased to welcome both of them to these roles.

### **Financial summary**

The PSG's financial position at the end of the year was somewhat better than forecast, with a deficit of £6,429.41 compared to the £9,410 that was budgeted. This was primarily due to an additional grant from CAFOD and a generous legacy from one of our members. However we experienced problems with income from the Workers Beer Company. After many years of significant support, Christian Aid is having to reduce its work in the Andes and so we will not receive further grants after this financial year. Unless we secure new funding over the coming months, it is likely that the PSG will have to cease or seriously reduce our operations in financial year 2014-15. We are working hard to make up the deficit and put in place contingency plans.



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## The Year in Context

The start of Ollanta Humala's presidency in late 2011 was marked by fraught relations between the state, private companies and communities affected by major extractive industry projects. But the year covered by this report (April 2012 – March 2013) began with a step forward on a flagship progressive policy: indigenous peoples' right to prior consultation on projects affecting them. In April 2012 the rules to implement the consultation law were published. However these came under fire from some indigenous organisations for the non-binding nature of the consultations and the lack of a veto for communities. As the year wore on, criticism mounted over delayed implementation and comments by ministers suggesting that consultations would not be conducted outside the Amazon region.

The plans did little to alter the situation around Xstrata's Tintaya-Antapaccay mine in Espinar, southern Peru. Tensions mounted, fuelled by concerns about social and environmental impacts. Violence erupted in May 2012 between police and protesters, in which 4 people were killed and 100 injured. Dozens were detained and reportedly mistreated, including two members of staff from the local church-based NGO, the *Vicaría de Solidaridad de Sicuani*. Echoing the 2011 response to protests against the Conga mine in Cajamarca, President Humala announced a state of emergency and brought in the army. The same policy was applied shortly afterwards when violent clashes occurred again in Cajamarca, which left five people dead. In that case a number of protesters, lawyers and social leaders reported being subjected to police violence.

Rights groups heavily criticised the government's reaction as entrenching the criminalisation of social protest. They have also warned that the contractual relationships between police and private companies amount to the 'privatisation' of the police. As Humala's popularity declined, the government promised a more conciliatory response. Hardliner Oscar Valdés was replaced as prime minister in late July by Juan Jiménez, a lawyer and constitutional expert. Talks involving all stakeholders were established in Espinar. Protests continued over a number of extractives projects, but received a less confrontational response from the authorities.

The rest of the year saw some minor advances in environmental rights. In his annual address to congress, Humala announced that the 'right to water' would be enshrined in the constitution. Power to approve environmental assessments was shifted to the new environmental certification office (SENACE). This move lessens the risk of conflicts of interest than when approval was carried out by the Mines and Energy Ministry, which is also tasked with promoting investment. Although these reforms were welcomed by civil society, campaigners pointed out that a rigorous and holistic approach to environmental legislation remains a distant prospect.

From October, Lima's centre-left mayor Susana Villarán began a gruelling campaign to retain her position as her opponents attempted to oust her from office through a recall referendum. She won a narrow victory in the March 2013 vote, but her administration was left weakened by the removal of almost all of the municipal councillors in her *Fuerza Social* bloc. However the overall result was also damaging for those who had supported the recall, including potential 2016 presidential aspirants Alan García and Luis Castañeda.

The outcome strengthened Humala's hand against his political opponents as he faced a decision on whether to grant a pardon to former president Alberto Fujimori (1990-2000). In October 2012, relatives of Fujimori lodged a request to release him from prison on health grounds. The ex-premier was three



years into his life sentence for corruption and human rights crimes committed during his term in office. Humala announced that he was refusing the request for a pardon in June 2013.

Wider justice for abuses committed during the internal armed conflict of the 1980s and 1990s remained largely elusive and suffered a significant setback in July 2012. The Supreme Court ruled that offences committed by former spy chief Vladimiro Montesinos and a number of other major figures constituted ordinary murders rather than crimes against humanity. Montesinos *et al.* had been sentenced in 2010 for their involvement in massacres and disappearances committed by the *Colina* death squad. Following the new decision, their sentences were reduced accordingly, contrary to a 2001 ruling by the Inter-American Court of Human Rights.

As the year drew to a close and the ten year anniversary of the Truth and Reconciliation Commission's report on the conflict approached, Humala was seen to have done little to redress the balance of power towards Peru's impoverished communities.



## Advocacy

Throughout the year the PSG has worked to ensure that issues affecting the poorest and most vulnerable groups in Peru are raised in parliament and with government in order to influence the Peruvian authorities.

### **Foreign and Commonwealth Office (FCO)**

The focus of our advocacy targeting the FCO was social conflict and associated human rights concerns, particularly legal proceedings against local representatives and civil society members. Following the detentions of the *Vicaría* representatives and others in Espinar, in June 2012 we provided input to a letter from shadow minister Kerry McCarthy MP and Lord Avebury to the Minister for Latin America. With our support, Tom Clarke MP also wrote to the Minister requesting that the UK Ambassador in Peru visit Espinar. We then met regional officials in the FCO to discuss the situation and urged the British Embassy to monitor legal proceedings against those involved in the protests. The following month we wrote again to the Minister to raise concern about police abuses, excessive declarations of a state of emergency, and the detention of Marco Arana, a social leader mediating between the community and company over the Conga mine project.

The new coordinator held introductory meetings with the Andean team in the FCO shortly after joining the PSG. The officials subsequently attended the conference (see below) on extractives and development. Simon Wells, head of the Andean section, also participated in the meeting of the *Plataforma Europa-Perú* in March. This was a useful opportunity for him to discuss concerns with Peruvian and European civil society.

### **MPs and Peers**

This year we have built on existing ties with a number of parliamentary contacts, including PSG Presidents Lord Avebury and subsequently Baroness Coussins, and established new relationships. Parliamentarians attended, chaired or presented at a number of our events throughout the year. Listed below are our other main interactions with MPs and peers in FY12/13:

- We arranged meetings between a delegation of CAFOD partners from Espinar in April with Martin Horwood MP, Kerry McCarthy MP, Lord Avebury and Baroness Coussins. Baroness Coussins subsequently engaged in extensive correspondence with senior management at Xstrata UK and Peru, including chairman John Bond, to communicate the delegation's concerns.
- We helped to brief Lord Avebury in advance of a parliamentary debate on the Queen's speech, relating to poverty and inequality in middle-income countries.
- We coordinated NGO participation in a meeting between FCO officials and MPs on the human rights impacts and provisions of the new trade agreement between the EU, Peru and Colombia. We established ongoing dialogue with officials on this issue.

### **Embassy of Peru in the UK**

The PSG remains committed to engaging regularly with members of the Peruvian embassy in the UK. Baroness Coussins met the Ambassador shortly after assuming the presidency of the PSG. The coordinators also met him on three occasions, and raised concerns over the treatment of community



representatives in Espinar.

### **Other advocacy**

Following the publication of our report on informal mining, we established a relationship with the UN Special Rapporteur on Contemporary Forms of Slavery. In November the coordinator attended a roundtable discussion at the IIED between NGOs and DFID about dynamics of artisanal mining and possible policy options to overcome the challenges. The conclusions of this meeting were published in a briefing paper.

We also regularly respond to requests from grassroots groups in Peru seeking to publicise concerns internationally and build relationships with NGOs overseas.



## Inter-Agency Collaboration

The PSG works closely with other civil society organisations in the UK and EU to share knowledge and coordinate action, so that we can maximise our impact.

### **Bond Latin America and Caribbean Group**

The PSG played an active role in the Latin America and Caribbean (LAC) group of Bond, an umbrella organisation for development agencies. The LAC group is comprised of over 60 UK-based NGOs which plan joint activities to raise awareness of, and influence UK policy towards, the region. The PSG coordinator helped to direct the group's activities as a member of the steering committee.

Following a successful meeting with the Latin America APPG on human rights and climate change in the region, the group held a networking social in June. This was attended by approximately 50 people from over 30 different organisations. The group reconvened in January for an event with UN Habitat expert Ana Gerez, who discussed urban trends in the region.

### **Plataforma Europa-Perú (PEP)**

The PEP is a network of 15 NGOs and solidarity groups from seven European countries that seeks to coordinate European campaigning and advocacy activities on Peru. While the original focus of the PEP was to monitor the implementation of the recommendations from the Truth and Reconciliation Commission, the network's recent activity has centred more on the operations of extractive firms in the country. This includes monitoring and campaigning on a whole host of related issues including: human rights violations, indigenous and environmental rights and free trade agreements. The network is a useful platform for conducting advocacy work at a European level and has also served as a valued regular point of contact with European-based NGOs. Many initiatives were jointly carried out by the PEP and by CIDSE's Peru Group, a network of 16 Catholic organisations with projects in Peru.

The PSG coordinator served on the network's coordinating committee throughout the year and played an active role in the following joint initiatives:

- In July, at the request of the PEP, the president of the European council, Herman van Rompuy, raised the issue of criminalisation of social protest in Espinar in his meeting with President Humala.
- In October the coordinator attended a PEP meeting in Berlin, which benefited from the participation of David Velasco from FEDEPAZ. While there he participated in a Misereor event on human rights, natural resources and the automotive industry.
- In March, the PSG organised the London meeting of the PEP, including presentations by Carlos Monge, Latin American coordinator of Revenue Watch, and the head of the Andean team at the Foreign Office.
- We sent joint letters to leading and interested MEPs raising concerns about human rights defenders engaged in the Conga case, and offering our input into a parliamentary hearing on the impacts of extractives in Latin America.
- We contributed to developing the objectives of the European visit of Mirtha Vásquez from Grufides, including for meetings with a number of MEPs.



### **Other collaboration**

In addition to the above, we have met with numerous other organisations to discuss areas of common interest and possible collaboration during the year. Such organisations included: ABColombia, Amantani, Amnesty International, Bolivia Information Forum, Christian Aid, the Gender and Development Network, Global Witness, Latin American Mining Monitoring Programme, Leigh Day, London Mining Network, Tearfund, War on Want, WWF and the World Bank. At an FCO-organised conference on the Extractive Industries Transparency Initiative, the coordinator met representatives from Chatham House, Publish What you Pay and the Centre for Global Development, as well as industry figures.



## Public Events, Outreach and Press

To raise awareness of critical issues affecting Peru and the work of the PSG, we organised the following events, outreach work and media activity.

### Events

#### Peru and the persistence of inequality

Our annual conference brought together development professionals and academic experts to discuss the continuing and multiple inequalities in Peru. Discussions highlighted how commodity-based economic growth does not translate automatically into reduced inequality. Doing so will require stronger institutions and political parties, ending discrimination, better education and a more diverse economy. The Peru Support Group wishes to express thanks to all speakers at the conference: Lord Avebury (outgoing PSG president), Rosemary Thorp (Oxford University), Julio Cotler (*Instituto de Estudios Peruanos*), Ursula Durand (LSE), Pedro Francke (FONCODES), Leonith Hinojosa (Manchester University), Diego Moya Ocampos (IHS Global Insight) and Marilyn Thomson (formerly of Care and Save the Children).

#### Alternative strategies for mining-based economies: Extractives and development in the Andes

We organised this conference in collaboration with the Bolivia Information Forum. It provided an opportunity to debate critical questions and share best practice on the environmental and social impacts of extractive industries, as well as the ways in which countries can transition to more balanced and sustainable economies. The event was fully booked with participation from a significant number of Latin American embassies, Foreign Office officials, relevant NGOs and members of the *Plataforma Europa-Perú*. We benefited from a grant from the University of London Institute for the Study of the Americas and use of their venue.

The day-long event featured experts from the Andean region and beyond: Antony Bebbington (Clark University Higgins professor and CEPES associate); José Pimentel (vice-president of the Bolivian state mining company and a former minister); Revenue Watch's regional coordinator, Carlos Monge; Caroline Digby (director of the Post-Mining Alliance); Carlos Larrea (professor of political economy at Simon Bolivar University, Ecuador); José de Echave (director of Cooperación and former environment minister); Rosemary Thorp (Oxford University); Hugh Elliot (Anglo-American head of government relations); Dr Jessica Budds of the University of East Anglia; Emma Wilson (International Institute of Environment and Development); and Pilar Domingo (ODI). We are developing a website to share papers and video from the conference ([www.andean-extractives.org](http://www.andean-extractives.org)).

### Outreach Events

- Devil Operation documentary screening, Canning House: the coordinator gave a talk about extractives and social conflict in June
- Birmingham human rights film festival: the coordinator gave a presentation on extractives, social conflict and community resistance, in October
- Bristol University Semana Cultural: presentation by committee member Patricia Oliart, in March
- State-sponsored torture: podcast for online learning portal of Kings College London and the University of Ulster



## **Press**

### 'Mining projects affect entire communities', January 2013

An interview published by the UK-based, Latin-American focused La Prisma, in English and Spanish.

### 'Illegal mining: extraction without rules', Winter 2013

Americas Quarterly article covering our report on informal mining.



## Publications and Resources

### ***Peru Update***

The *Peru Update* is a bi-monthly publication featuring analysis and opinion on issues affecting the country's poorest and most vulnerable groups. This year it featured articles, often written by local experts or partner organisations, analysing topics including: women and human rights, exhumations of victims of Peru's internal conflict, developments at the Río Blanco project, police abuses in Cajamarca, the situation of Afro-Peruvians, Peru's implementation of the UN Convention on the Rights of the Child, racism in social media and the difficulties of access to justice for the poor. Each edition also included an editorial article, which outlined our position on key developments in the country. An archive of previous editions of the Update, dating back to 2001, is available in the members' section of our website. In order to intervene in debates as they develop and reach a wider audience, we have decided to publish analysis pieces more frequently and make them freely available on our website.

### ***Update Extra***

Our in-depth report focused this year on appropriate policy responses to artisanal and small-scale mining in Peru. Based on primary research, in collaboration with *Red Social* and the Fairtrade Foundation, this tackled an informal economic sector that some analyses have found to be larger than the drug trade in Peru. The report was published in September in English and Spanish. It was circulated to key parliamentary and other political targets. The Alliance for Responsible Mining, *Red Social*, *Escuela para el Desarrollo*, *Cooperación*, *Sociedad Peruana de Derecho Ambiental* and others helped to disseminate the Spanish version of the report in Peru.

### ***Peru News***

Over the year, subscribers to our monthly news bulletin increased around 10 per cent to 1000.

### **Website**

Having updated our core issues pages last year, we continued to upgrade our website. In September we created a new resource, 'Minewatch', providing details of social and environmental conflicts involving British companies. In FY12/13 we had 30,000 page views of our website, an increase of 20 per cent compared to the previous year. A large majority of these were new visitors.

### **Social Media**

We provide at least weekly updates through social media including Facebook, Twitter, the Latin American Bureau community pages and GOXI (a networking site for those working on extractive industry governance) in order to participate in debates as they develop and to promote our campaigns. The number of people following us on social media increased by two-thirds to approximately 500.



## Visits and Visitors

### Visitors to the UK

- A delegation from the *Vicaría de Solidaridad* in Sicuani, CAFOD's partner in the Espinar region, visited the UK in April 2012. We helped to set up meetings with Martin Horwood MP (chair of the tribal rights all party parliamentary group), Kerry McCarthy MP (shadow Latin America minister), Lord Avebury and Baroness Coussins. Baroness Coussins subsequently engaged in correspondence with senior management at Xstrata UK and Peru to communicate concerns.
- Carlos Monge participated in a meeting of the *Plataforma Europa-Perú*, which was also attended by the head of the Andean section at the FCO (see above).
- The coordinator held additional discussions about post-extractivism in Ecuador with the academic specialist, Carlos Larrea, alongside the conference.

### Visit to Peru

Due to the change in coordinator and timing of the March conference, the coordinator's visit to Peru was postponed until April 2013. However, regular contact was established with key allies throughout her first months in the role.



# Organisational Governance

## Presidency

Following ten years of service, Lord Avebury formally stood down as PSG president at the AGM. We are very grateful for Lord Avebury's long-term and very active support for our work. Over the past ten years, he has chaired numerous events on our behalf, including on post-war reconciliation, human rights, mining, poverty and inequality in the country. He has frequently raised issues of concern within Parliament. His contribution to our work on the Río Blanco conflict was vital to one of the PSG's most successful campaigns.

At the AGM, members approved a new president, Baroness Coussins. A crossbencher in the House of Lords, an experienced campaigner for corporate responsibility and a linguist, she brings invaluable knowledge and skills to the Peru Support Group. She has spent time in Peru as a parliamentary volunteer, working with civil society, companies and parliamentarians. In recognition of her already heavy commitments, we created a new role of vice-president. Long-term sponsor of the PSG, former director of Oxford University's Latin American Centre and former chair of Oxfam GB, Rosemary Thorp, took on the role. We are delighted to welcome them to these roles.

## Staff

The PSG employs a full-time coordinator who manages all aspects of the organisation's activities on a day-to-day basis. Volunteers have also helped with a wide variety of research tasks, news monitoring and analysis. The PSG would like to express its gratitude to all our volunteers for their highly valued assistance during the year. In particular, we would like to thank Ailin Martinez and Manuela Llorens for their hard work and dedication.

Peter Low left to work as a consultant on transparency and anti-corruption. As coordinator, his achievements included supporting the Río Blanco community in gaining compensation from mining company Monterrico Metals; overseeing a redesign of our website and communications materials; organising a series of highly successful conferences; and personally raising considerable funds for the PSG through sponsored events. We would like to express our thanks for all his excellent work. Amy Horton was appointed as his replacement. She has a background as a researcher and campaigner on international social and environmental issues.

## Management Committee

The work of the coordinator is overseen by the PSG's management committee, a body comprising sixteen eminent academics and professionals from various sectors. Meetings between the coordinator and the committee are held approximately every six weeks, with more in-depth strategy meetings additionally taking place every six months. Many members of the committee also frequently travel to Peru, facilitating communication with the various organisations with which we work.

Individuals are usually invited to the committee by existing members, with their appointment subject to approval by the broader membership at the Annual General Meeting (AGM). Peter Low was co-opted onto the committee when he left his role as the coordinator. We were also pleased to welcome Andrea Wilkinson, who brings valuable professional experience of fundraising and expert knowledge as a



doctoral candidate at Newcastle University, focusing on agriculture and climate change in Peru. All existing committee members were re-elected by the PSG membership.

Committee members generously donate their time, advice and expertise to the organisation. They contribute articles to the *Peru Update* newsletter, help with the editorial process of publications, provide the coordinator with guidance and contacts, and participate in expert panels during public events. The treasurer additionally provides valued assistance on financial and governance matters pertaining to the organisation. The participation of the various committee members is vital to our work and we would like to express our sincere thanks to all for their contributions throughout the year.

### **Membership**

Our membership helps to hold us to account while providing us with an important network and expertise, specialist advice and practical support. PSG members have the opportunity to shape our work through the AGM and ongoing contact. Subscriptions provide a much-valued source of regular income, for which we are very grateful. At year end the PSG had 140 up-to-date members, a slight increase on the previous year. To attract new members, we produced a new leaflet about the PSG, and secured *pro bono* printing of 5000 copies. In May, the coordinator attended an academic symposium on Peru in Newcastle and distributed PSG material to attendees. He also produced an overview of politics and human rights in Peru for the gap year organisation, Project Trust.

### **Application for charitable status**

Last year the PSG applied for charitable status to provide additional legitimacy to our activities, and to qualify for a wider range of funding sources other benefits such as Gift Aid. An initial response from the Charity Commission in March 2012 questioned whether our activities for social and economic rights fell within the remit of charities. Although he considered that a challenge to this provisional decision was likely to be successful, our *pro bono* lawyer was then unable to continue supporting our application due to other commitments. We are continuing to seek specialist guidance.



## End of Year Accounts

The PSG is funded by grants from donor NGOs and from subscriptions and gifts. Several donors have supported us through a programme agreed on a three-yearly strategy with yearly detailed definitions of activities. This programme covers ongoing activities such as research (including visits to be Peru by the coordinator), advocacy, publication of the Peru Update and other material as judged necessary, event management etc. We are grateful for the support of our donors, as we are for our members' contributions.

This year we also, jointly with the Bolivia Information Forum, received a £2,000 grant from the Institute for the Study of the Americas towards the costs of our mining conference in March 2013. We would also like to thank Worth Abbey for their £300 contribution towards unexpected costs of one of our speakers. We are very grateful to all those who have provided us with *pro bono* support including the legal firm Bates, Wells and Braithwaite, Rebeca Olcoz for her translation services and the volunteers who worked at the summer music festivals in the Workers Beer Company's volunteer scheme.

The PSG's financial year is from 1 April 2012 to 31 March 2013. The accounts for 2012/13 given below are, with a few exceptions that are explained in the notes, prepared on a cash basis: receipts and expenditures are recognised when they occur. The accounts show the budget agreed at the beginning of the year and the actual outcome at the end of the year. Notes are provided to explain significant variances. An independent examiner's report on the accounts for the year ended 31 March 2013 is included.

The deficit on the year of £6,429.41 is significantly better than the loss of £9,410 that was budgeted. This was mainly due to an unexpected legacy and CAFOD making an additional contribution. However, we were hit by the loss of income from the Workers Beer Company after a number of volunteers failed to work the shifts they had committed to; at the time of writing we are awaiting a decision on the amount we will receive after a penalty has been levelled. We will not be able to participate in the festival work with the Workers Beer Company in 2013 as a further penalty.

For FY13/14 we are expecting the grants from Christian Aid and CAFOD to be similar to those in FY12/13. Unfortunately, after many years of being our largest financial supporter, Christian Aid is having to close its programme in Peru and will no longer be able to fund the PSG after FY13/14. This is linked to the context of pressure on development agencies' finances and a wider trend of reduced development assistance to middle-income countries. We would like to express our gratitude for Christian Aid's significant and long-term support, and our commitment to continued cooperation on regional issues.

We expect to have a deficit of the order of £13k in FY 13/14. Based on the reserves we have in our bank account at the end of this year FY12/13 and CAFOD grant income for FY14/15 continuing as before, and assuming no replacement of the shortfall, the PSG would run out of money completely in about August 2014. However, to run our finances effectively we need to have about three months of running costs (c.£8k) in our reserves; this point would be reached in about May 2014. A more serious issue would be that any sensible coordinator would be looking for a new job well before the money ran out. Recruiting a replacement would then prove difficult unless there was an expectation that the job would last at least six months. So sometime after February 2014, when we might be without a coordinator, it could become difficult to guarantee that we could fulfil the plans we had set out to our funders and members. We are pursuing a number of alternative funding sources and keeping our costs under constant review.

**Payments and Receipts FY2012/13**

| <b>Payments</b>              | <b>Budget</b>           | <b>Actual</b>           |
|------------------------------|-------------------------|-------------------------|
| Rent & Insurance             | 2,800.00                | 2,660.05                |
| Salary & National Insurance  | 26,300.00               | 25,831.09 <sup>1</sup>  |
| Volunteers                   | 100.00                  | 127.10                  |
| Equipment & Stationary       | 50.00                   | 50.92                   |
| Travel                       | 2,000.00                | 774.71 <sup>2</sup>     |
| Phone & Fax, Email & Website | 400.00                  | 679.31                  |
| Postage                      | 50.00                   | 78.50                   |
| Printing & Copying           | 50.00                   | 705.00 <sup>3</sup>     |
| Resources                    | 500.00                  | 112.98                  |
| Events                       | 300.00                  | 240.42                  |
| Materials                    | 50.00                   | 57.71                   |
| Visitor expenses             | 300.00                  | 1,449.11 <sup>4</sup>   |
| Other                        | 50.00                   | 130.45                  |
| <b>TOTAL PAYMENTS</b>        | <b>32,950.00</b>        | <b>32,897.35</b>        |
| <br>                         |                         |                         |
| <b>Receipts</b>              |                         |                         |
| <hr/>                        |                         |                         |
| Grants                       | 20,000.00               | 22,788.20               |
| Subscriptions                | 1,800.00                | 2,100.26                |
| Donations                    | 400.00                  | 1,497.50                |
| Special Grants               | 1,300.00                | 0.00 <sup>5</sup>       |
| Other                        | 0.00                    | 48.25                   |
| Interest                     | 40.00                   | 33.73                   |
| <b>TOTAL RECEIPTS</b>        | <b>23,540.00</b>        | <b>26,467.94</b>        |
| <br>                         |                         |                         |
| <b>GRAND TOTAL</b>           | <b><u>-9,410.00</u></b> | <b><u>-6,429.41</u></b> |

**Balance Sheet FY2012/13**

|                   | <b>Petty Cash</b> | <b>Santander current</b> | <b>Santander Deposit</b> | <b>Coop</b> | <b>Assets<sup>6</sup></b> | <b>Liabilities and deferred income<sup>7</sup></b> | <b>Total</b> |
|-------------------|-------------------|--------------------------|--------------------------|-------------|---------------------------|--|--------------|
| <b>01-Apr-12</b>  | 40.07             | 1,585.43                 | 23,411.92                | 0.00        | 480.00                    | -125.00  | 25,392.42    |
| <b>31-Mar-13</b>  | 330.06            | 1,982.58                 | 22,650.87                | 6,541.91    | 0.00                      | -12,542.41 <sup>8</sup>                            | 18,963.01    |
| <b>Difference</b> | 289.99            | 397.15                   | -761.05                  | 6,541.91    | -480.00                   | -12,417.41   | -6,429.41    |

<sup>1</sup> There was a change in Coordinator in January 2013 which accounts for the difference between the actual and the budget.

<sup>2</sup> The Coordinator's trip to Peru took place in April 2013. Only airfares are included in FY12/13 accounts.

<sup>3</sup> Additional expenditure relates to the unanticipated printing of the Artisanal Mining report.

<sup>4</sup> Additional costs were incurred for speakers' travel to the March conference.

<sup>5</sup> No funds were received from the Workers Beer Company volunteer fundraising scheme because we were penalised because some of our volunteers did not turn up to the venue.

<sup>6</sup> Cheques or income received but not yet cashed by PSG. Also includes credit provisions.

<sup>7</sup> Cheques sent or charges made by PSG but not cashed by recipient. Also includes debit provisions.

<sup>8</sup> We received a grant of £12,000 from Christian Aid for use in FY13/14 at the end of FY12/13. In order to make the payments/receipts accounts give a fair picture of our in-year activity, we have made this provision effectively to transfer the payment to FY13/14 which consequently appears as a liability in the Balance Sheet. Also there was a late payment in FY13/14 of £542.31 for FY12/13 NIC to HMRC and a provision was made for this too.



# Independent Examiner's Report on the Accounts

## Independent examiner's report to the trustees of the Peru Support Group

I report on the accounts of the Group for the year ended 31<sup>st</sup> March 2013

Respective responsibilities of trustees and examiner

The Group's trustees are responsible for the preparation of the accounts. The Group's trustees consider that an independent examination is needed.

It is my responsibility to:

- examine the accounts
- to state whether particular matters have come to my attention.

### Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

### Independent examiner's statement

In connection with my examination, no matter has come to my attention which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records
- to prepare accounts which accord with the accounting records and comply with the accounting requirements

have not been met; or to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

I have noted the explanation of the Group's financial position made in the Financial Report and am satisfied that it represents a proper presentation of the situation.

A handwritten signature in black ink, appearing to read "Daniel Herbert".

Name: Daniel Herbert BSc(Hons) PhD CPFA

Address:

Hillside  
Blackheath Way  
West Malvern  
Worcestershire  
WR14 4DR

Date: 22<sup>nd</sup> Sept 2013