



## Annual Report

April 2013 - March 2014

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# Executive Summary

## **Advocacy and media work**

The independent member of Congress, Verónica Mendoza, visited the UK in June. We worked with CAFOD to secure a series of meetings with MPs and Foreign Office officials. These covered priority issues including the slow and incomplete application of indigenous peoples' right to prior consultation on developments affecting them; concerns relating to the criminalisation of social protest and human rights defenders; and the scope for the UK Government to foster improvements through its Action Plan on Business and Human Rights, and its forthcoming presidency of the Voluntary Principles on Security and Human Rights. Ms Mendoza is the representative for the Cusco region and the Peru Support Group (PSG) has continued to work with human rights groups around mines in Espinar that are owned by the London Stock Exchange-listed Glencore Xstrata.

A new trade deal between the European Union and Peru presented an opportunity for the PSG to play a leading role in highlighting concerns around human rights, labour standards and environmental protection. Uniquely in the UK, we provided multiple briefings to parliamentarians responsible for scrutinising the deal or interested in these issues. We achieved significant impacts, drawing ministerial attention to areas of concern and the weakness of accountability mechanisms. Across the EU, and in collaboration with Peruvian NGOs, we collaborated with several networks to ensure that monitoring of the deal by MEPs and governments takes into account our recommendations.

The PSG's media profile increased over the course of the year as relationships were built with several high profile journalists. Our analysis was covered in the Financial Times, Guardian, New Internationalist and other media.

## **Annual conference: Human rights and justice in Peru**

2013 was the tenth anniversary of the publication of the final report on Peru's internal conflict by the Truth and Reconciliation Commission (TRC). Given the PSG's longstanding efforts to raise awareness of the human rights abuses committed during the conflict, and to promote the recommendations of the TRC, we chose to examine the achievements of a decade of transitional justice at our annual conference. Speakers included a former TRC researcher; Amnesty's deputy director for the Americas; and two members of the House of Lords. The conference was well attended and discussions lively, focusing on the troubling extent of impunity for human rights crimes and creative ways for international advocates to promote justice.

## **Financial summary**

The PSG's financial position at the end of the year was better than forecast, with a surplus of £4.5k compared with a budgeted deficit of £5.2k. This was thanks to several new grants and a large number of individual donations, for which we are grateful. However, as we no longer benefit from a major annual grant from Christian Aid, which has had to close its Peru programme after many years of significant support for the PSG, we have made the decision to transition to a part-time member of staff. On this basis, our funding is secure for at least two years and we will continue to develop alternative sources.

## The Year in Context

Social and environmental conflict around extractive industries declined in intensity compared to recent years, with several major projects awaiting their launch, and new organs for dialogue and regulation beginning to operate. Yet few members of affected communities feel that their concerns are being properly addressed and numerous conflicts may be latent rather than heading for resolution. There were several clashes around the Minas Conga development in Cajamarca, as well as allegations of brutality by security forces there and surrounding Glencore Xstrata's mine in Espinar. In February several opponents of the Tia Maria mine were sentenced to prison for their part in protests; concerns about the criminalisation of protest have grown.

Pressure from business lobbies led to the introduction of a package of measures designed to promote investment in May 2013. These included a time limit of 100 days on official scrutiny of environmental impact assessments. Meanwhile flagship environmental governance measures such as the development of integrated rural planning (*ordenamiento territorial*) were pushed onto the back burner. Civil society groups warned that investment was being courted at the cost of basic safeguards. Both Xstrata Tintaya and Antamina were fined for polluting the environment around their mines, but major polluters such as the La Oroya metals complex were granted further extensions to reduce their toxic emissions.

Progress on implementing the 2011 Law on the Prior Consultation of Indigenous Peoples, in accordance with the ILO Convention that Peru ratified in 1994, was also slow and controversial. The minister responsible quit in May over disagreements about whether indigenous peoples in the highlands would qualify for consultation. Three months later, his successor also resigned after being forced to retract a report warning that planned gas drilling could "devastate" indigenous groups living in isolation. The long-awaited database of 52 peoples qualifying for consultation was published in October, but only included details of 5 specific communities. Advocates are calling for more transparency and participation in its completion.

Controversy exploded in mid-2013 as regional and local governments were hit by drastic reductions in the amount of the mining *canon*, a transfer from central government of the profits taxes paid by extractive industries. The falls have been attributed to the closure of some projects, falling global prices for minerals, and in some cases, political retribution for local opposition to new developments. Cuts of over 90 per cent in Cusco and Ancash prompted protests and demands for emergency support from central funds. The volatility has reinvigorated calls for reform of the highly imbalanced system, but its current beneficiaries are unlikely to give ground, particularly in the run-up to subnational elections later in the year.

There were some crumbs of comfort for those seeking accountability for abuses committed during Peru's internal conflict. In June, President Humala refused to grant a pardon to his 1990s predecessor Alberto Fujimori, who continues to serve a 25-year sentence for corruption and human rights crimes. Fujimori went on trial again in late 2013 for diverting public funds to buy editorial support from tabloid newspapers in the *diarios chicha* affair, but proceedings have been delayed by his supposed ill health. Several members of *La Colina* military death squad were sentenced for the 1992 murder and forced disappearance of students and a professor from La Cantuta University.

However, as Peru marked ten years since the final report of the Truth and Reconciliation Commission, expert observers condemned a 'de facto amnesty' for human rights cases, a high proportion of which



have been closed while many others are still waiting for attention, decades after the incidents to which they relate. Then in January, a judicial investigation concluded that Fujimori and several of his ministers should not face trial for their role in a birth control programme that led to the forced sterilisation of hundreds of thousands of women. Advocates and local associations are challenging the decision. If Keiko Fujimori, daughter of the ex-president, wins the presidential elections in 2016, the human rights situation may deteriorate further.

The weakness of Peru's judicial and human rights institutions was underlined in July, when a carve-up among several political parties led to a prominent champion of Fujimori's release being appointed as a judge to the constitutional court. The new *Defensora del Pueblo* selected was also closely associated with Fujimori's reforms that undermined the independence of the judiciary during the 1990s. Historically large protests under the banner of '*Toma la calle*' forced the recall of these appointments. Other major concerns include the government's failure to publish its human rights plan, which should have taken effect in 2012, and the passing of a new law that gives police impunity for causing death or injury while on duty.

Peru's rapid economic growth has slowed because of the global crisis. In spite of the reduction of poverty rates to 26 per cent in 2013, the decline still leaves 1.8 million Peruvians too poor to afford basic food purchases. The divide between urban and rural areas persists, with a majority of rural Peruvians still living in poverty. A UN study published in November revealed that, amid the boom, one in ten districts has seen stagnating or declining levels of human development over the last decade, and it confirmed that large-scale mining has not translated into local benefits. Discrimination and exclusion continue to affect Peru's indigenous peoples; in September, the *Defensor del Pueblo* pointed out that almost half of children from those communities are still denied education in their mother tongue.

Climate change threatens to undermine development gains even in regions that have improved, according to the same UNDP report. It estimated that five million Peruvians could face food insecurity in the coming decades as a result. During the winter a state of emergency was declared as temperatures dropped to unusual lows in the highlands. Communities who have moved their livestock to higher pastures as a result of water scarcity were particularly badly affected. Peru is preparing to host the UN climate talks (COP20) in December and civil society groups are calling for more serious action to tackle the country's multiple vulnerabilities.

A telling battle led to the downfall of Humala's fourth prime minister in February 2014. César Villanueva quit after losing a battle with the Finance Minister and First Lady to raise the monthly minimum wage above £160. The dispute came shortly after a sharp rise in ministerial pay, prompting questions about the government's commitment to reducing inequality. The reshuffle that ensued represented another step towards economic orthodoxy, after private sector lobbying led to a climbdown last May when plans for the state to acquire assets from the oil company Repsol were aborted. Despite some institutional improvements, Humala's promised 'Great Transformation' towards justice and equality remains sidelined by pressures to protect the business environment.

## 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.

### MPs and Peers

This year we have built on existing ties with a number of parliamentary contacts, including PSG president, 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 June we co-organised a meeting between the Peruvian congresswoman Verónica Mendoza and Michael Connarty MP, who chairs the all-party parliamentary group (APPG) on Peru. They discussed concerns relating to British companies' impacts on human rights in Peru. Subsequently Michael Connarty wrote to the Secretary of State for Business, asking him to place clearer requirements on companies' reporting of their human rights performance and monitoring. He also wrote to the Foreign Secretary to ask about his department's action to ensure that the UN Guiding Principles on Business and Human Rights are being upheld by UK companies operating in Peru.
- Lisa Nandy MP and Lord Joffe, from the corporate responsibility APPG, agreed to seek a parliamentary debate on the Business and Human Rights Action Plan. As a result, in a subsequent meeting with the Minister for Latin America, Lisa Nandy raised the issue of mining companies contracting the Peruvian state police to provide security. She later provided further information on this issue with the assistance of the PSG at the minister's request.
- The coordinator gave a presentation to members of the APPG on Latin America and the Caribbean in October, in advance of debates on the ratification of a Free Trade Agreement between the EU, Peru and Colombia. The members attending were Baroness Hooper, Jeremy Corbyn MP, Lord Alderdice and Lord Kilclooney.
- This was followed up with written briefings to interested parliamentarians and members of the Lords' Secondary Legislation Scrutiny Committee. As a result, the FTA was given special attention by the Committee and members sought additional information from the Department for Business, Innovation and Skills (BIS). Lord Avebury also drew on our briefing to raise concerns with the BIS minister in a debate. In the Commons, two MPs used our briefing to question the relevant minister, which led him to promise more information on human rights protections and redress mechanisms. Our efforts to highlight weaknesses in these regards, combined with the work of Colombian-focused campaigners, contributed to a significant parliamentary rebellion, in which 61 MPs voted against ratification.
- In December, we worked with ABColombia to brief Baroness Coussins so that she could raise concerns in a parliamentary debate about impunity for sexual violence in conflict.

### Foreign and Commonwealth Office (FCO)

Several meetings were held with officials to share information about relevant policy initiatives, including the Voluntary Principles on Security and Human Rights, an initiative for which the UK holds the presidency from April 2014; lessons from Peru for the Preventing Sexual Violence in Conflict Initiative;



and examples of the undue use of lethal force by Peruvian security forces.

The coordinator briefed the new Deputy Ambassador to Peru prior to his deployment, and also held meetings with the new desk officer and head of Andean team.

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

The PSG remains committed to engaging regularly with members of the Peruvian embassy in the UK. The deputy ambassador attended our annual conference in October.

### **Other advocacy**

In November, we responded to a request from the *Coordinadora Nacional de Derechos Humanos* to endorse a statement condemning an attack on its director, Rocío Silva Santisteban. She was attacked during a press conference regarding the appointment of Martha Chávez as coordinator of the congressional human rights group. Chávez was a crucial ally in Fujimori's suspension of the constitution in the 1990s and also involved in controversial laws that promoted impunity for human rights crimes.

We also regularly respond to requests from grassroots groups in Peru seeking to publicise concerns internationally and build relationships with NGOs overseas, as well as from journalists conducting research.

## 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 comprises over 60 UK-based NGOs which plan joint activities to raise awareness of, and influence UK policy towards, the region. In addition to sharing information among NGOs, the group organised the meeting with the APPG on Latin America and the Caribbean, at which the PSG coordinator made a presentation (see above).

### **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 extractive industries. This includes monitoring and campaigning on 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:

- Following Verónica Mendoza's visit to the UK, we liaised with groups in Brussels who arranged meetings with Bart Staes MEP and Jürgen Klute MEP, delegates to the bi-regional EUROLAT parliamentary assembly.
- The PSG contributed to a briefing on the social and environmental impacts of extractive industries for Inès Zuber MEP, who is developing a EUROLAT resolution.
- We signed on to a letter in October expressing support for Espinar leaders' efforts to sustain productive dialogue with Glencore Xstrata; expressing concern about the effect of *canon* reductions on local development; calling for more thorough field research in the preparation of the water impact study for Majes Siguas II dam; and pointing out that prosecuting protesters hundreds of miles away in Ica was undermining the defendants' right to justice.
- In January, we coordinated a joint briefing with the PEP, CIDSE, the Peruvian network RedGE and Central American grouping ALOP for MEPs in the Monitoring Group on the implementation of the Free Trade Agreement with Colombia and Peru. The meeting was held *in camera* but we understand that MEPs raised some of the concerns we had highlighted, including the delayed publication of Peru's National Human Rights Plan, and requested further information in writing from the Peruvian Ambassador regarding the implementation of the human rights road map that accompanies the FTA.
- We put ourselves forward as a participant in the Domestic Advisory Group to the official Subcommittee on Trade and Sustainable Development in Lima in February, which is responsible for overseeing the labour and environmental elements of the FTA.



- We liaised on an ongoing basis with officials in the European Commission and Trade Committee, for example providing input to an MEP delegation's agenda for March 2014. We also shared relevant information with Peruvian counterparts, including on the public meeting convened by the Subcommittee on Sustainable Development in Lima in February.

## **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, Amazon Watch, Amnesty International, Business and Human Rights Resource Centre, Canning House, Catapa, Christian Aid, CORE coalition on corporate responsibility, ELLA, Forest Peoples Programme, International Alert, International Centre for Transitional Justice, Latin American Mining Monitoring Programme, Leigh Day, London Mining Network, Mines and Communities, Peace Brigades International and Outreach Peru.



## 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

#### Human rights and justice in Peru

Our annual conference reflected on the state of human rights and justice in Peru, ten years after the publication of the final report of the Truth and Reconciliation Commission. Participants addressed accountability for crimes committed during Peru's internal conflict, human rights institutions within Peru and internationally, women's rights with particular reference to forced sterilisations under Fujimori, and the role of memory. Participants included parliamentarians, diplomats, researchers, campaigners and film-makers. Around 50 people attended. Details of the discussions are available at: <http://perusupportgroup.org.uk/article-679.html>.

We would like to express our thanks to all speakers at the conference: Baroness Coussins, our president; Jelke Boesten, senior lecturer at King's College London; Karen Tucker, a lecturer at Bristol University and collaborator on the 'Quipu: Living Documentary' project; Francis McDonagh, editor and journalist for the Latin America Bureau; Natalia Sobrevilla Perea, from the University of Kent; Paulo Drinot, senior lecturer at the UCL Institute of the Americas; Lord Brennan QC, a barrister, peer and president of Canning House; Tom Pegram from the UCL Global Governance Institute; David Lovatón, professor of law at the Pontifical Catholic University of Peru; Guadalupe Marengo, deputy director of Amnesty International's Americas programme; and Jo-Marie Burt, a senior fellow at the Washington Office on Latin America and director of Latin American Studies at George Mason University.

### Outreach Events

Women's rights in Peru: presentation by the coordinator to approximately 30 members of the Cambridge Amnesty group and general public in January.

### Press

*Financial Times*, Deal on judicial appointments sparks violent protests in Peru, July  
*New Internationalist*, Technology gives survivors of forced sterilization a voice, November  
*The Hindu*, Peru's growth model should embrace sustainability: U.N., December  
*The Guardian*, Why climate change threatens Peru's poverty reduction mission, December

## Visits and Visitors

### Visitors to the UK

In June, together with CAFOD we co-hosted a visit to the UK by the independent member of Congress, Verónica Mendoza. Ms Mendoza is a representative for the Cusco region and left President Humala's party in order to promote a more open debate about extractive industries in Peru. She is a prominent champion of the rights of women and indigenous peoples. During her visit, she discussed the incomplete implementation of the consultation law; the reduction of social and environmental safeguards on investment; human rights concerns relating to the policing of protest; and the need for more civil society participation in the UK's activity in Peru on the Voluntary Principles on Security and Human Rights. The following meetings were held:

- Lord Judd and Lisa Nandy MP from the APPG on Corporate Responsibility.
- Martin Horwood MP, chair of the Liberal Democrats' Parliamentary Committee on International Affairs and chair of the APPG on tribal peoples.
- Baroness Coussins, president of the PSG with an interest in corporate responsibility.
- Michael Connarty MP, chair of the APPG on Peru.
- Foreign Office officials in the Human Rights and Democracy team.

### Visit to Peru

The coordinator travelled to Peru in April/May to meet civil society groups, journalists and officials. The visit allowed her to form relationships with key organisations, investigate recent developments in Espinar, and present recommendations to some official representatives. The coordinator held the following meetings during the visit:

#### Lima

**Acuerdo Nacional:** Javier Iguíñiz, executive secretary.

**APRODEH:** Francisco Soberón, director, Jorge Abrego, lawyer, Mary Eliana García, communications officer.

**British Embassy:** David Graham, deputy ambassador.

**Care:** Rodrigo Arce, dialogue programme director.

**CEAS:** Mary Chávez, environmental advisor and Laura Vargas, social director.

**Centro Peruano de Estudios Sociales:** Fernando Eguren, president.

**Christian Solidarity Worldwide:** Anna-Lee Stangl, advocacy officer.

**Cooperación:** Emma Gomez, deputy director, and Julia Cuadros, director.

**Coordinadora Nacional de Derechos Humanos:** Mar Pérez, director of economic, social and cultural rights.

**Demus:** Jeannette Llaja, director.

**Flora Tristán:** Liz Ivett Melendez, director.

**EU delegation:** Ximena Sierralta, political advisor.

**Financial Times:** Naomi Mapstone, Andean correspondent.

**Guardian / CCTV:** Dan Collyns, reporter.

**IDL-Reporteros:** Gustavo Gorriti, director.

**International Finance Corporation:** Marc Tristant, country head.

**Manuela Ramos:** Maria Elena Reyes Meléndez, director.

**Oxfam America:** Louise Clark, monitoring, evaluation and learning regional coordinator, and Rocío Ávila



Fernández, extractive industries programme officer.

**Paz y Esperanza:** Roger Mendoza, director.

**Promsex:** Rossina Guerrero, director.

**PUCP:** Maritza Paredes, social science professor and Teresa Ore, water resources professor.

### **Cusco, Sicuani and Espinar**

**Broederlijk Delen:** Ard Schoemaker.

**Centro Bartolomé de Las Casas:** Valerio Paucarmayta, director.

**Cooperación:** Leopoldo Zambrano, regional officer and Roxana Maquera, assistant.

**Instituto para una Agraria Alternativa:** Haydee Romero, director.

**Laramani radio:** Elsa Merma Ccahua, broadcaster.

**Municipality of Espinar:** Arturo Corahua Salcedo and Marco Aparicio, social development section.

**Vicaría de Solidaridad de Sicuani:** Jaime Borda, programme coordinator.

### **Ica**

**CODEHICA:** Gustavo Echegaray, president.

**GIZ:** Valeria Silvestri, climate change adaptation project coordinator.

**Junta de usuarios de riego de la Achirana:** José Carlos Falconí Sandoval, president.



## Publications and Resources

### **News and analysis**

Our monthly news and analysis email goes out to around 1,000 subscribers. Issues covered over the last year include concerns around official human rights appointees, social conflicts and policing of protest, the judicial inquiry into forced sterilisations in the 1990s, formalisation of small-scale mining, climate change, mining revenues and regulation. 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.

### **Websites**

We are in the process of updating our key issues pages and preparing to launch the new Extractives and Development in the Andes website, a joint initiative with the Bolivia Information Forum, which will include content from our conference on that theme last year as well as a host of related articles and reports from a range of organisations.

### **Social Media**

We provide frequent 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 60 per cent to approximately 800.

# Organisational Governance

## Presidency

Our president is Baroness Coussins, a crossbencher in the House of Lords. She is an experienced campaigner for corporate responsibility and has spent time in Peru as a parliamentary volunteer, working with civil society, companies and parliamentarians. This year her activities relating to the PSG included meeting the Congresswoman Verónica Mendoza to discuss concerns around indigenous communities' rights and the policing of protests around mines, and raising issues regarding sexual violence and human rights in parliamentary debates. Our vice-president, emeritus fellow of St Antony's College, Oxford and former chair of Oxfam GB, Rosemary Thorp, has contributed articles to the monthly news emails and helped to run our annual conference. We would like to thank both for their invaluable support.

## Staff

The PSG has employed 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 Tom Reid, Elena Camiletti and Manuela Llorens for their hard work and dedication.

Amy Horton departed from the role of coordinator at the end of the financial year, to take up a post at Global Witness. We are delighted to welcome Amalia Syeda-Aguirre as the new, part-time advocacy officer.

## Management Committee

The work of the coordinator is overseen by the PSG's management committee, a body comprising fourteen 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). All existing committee members were re-elected by the PSG membership, but Jelke Boesten and Gaby Drinkwater have stepped down from the committee due to other commitments.

Committee members generously donate their time, advice and expertise to the organisation. They contribute articles and editorial work, 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 are grateful for all their work 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 130 up-to-date members.

## End of Year Accounts

The PSG is funded by grants from NGOs and trusts, members' fees and other donations. Several donors have supported us through a programme agreed on a three-yearly basis with detailed annual plans, covering activities such as research, including visits to Peru by the coordinator; advocacy; publication of news, analysis and reports; and events.

For the financial year ending March 2014, we received a last grant of £12,000 from Christian Aid, which for many years has been the PSG's largest supporter. Unfortunately Christian Aid has now closed its Peru programme due to external constraints, in particular the diversion of official aid from middle-income countries. We would like to express our gratitude for Christian Aid's significant and long-term support. We continue to collaborate with them on issues such as inequality and climate change, including through the Bond Latin America group of NGOs. The PSG received a grant of £9,862 from CAFOD and continues to work closely with its programme and policy staff and partners. In addition, we received new grants from the Andrew Wainwright Trust, the Lush Charity Pot, the Silbury Fund and Worth Abbey Outreach Peru. Members of the PSG are an important source of long-term support and made significant additional donations in response to our funding appeal. Finally, £2,000 was raised by three participants in the Thames Path 25km Challenge, as well as extra funds from local events. We would like to express our sincere thanks to all organisations and individuals who have supported the PSG, particularly those providing pro bono services.

The PSG's financial year is from 1 April 2013 to 31 March 2014. The accounts for FY2013/14 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.<sup>1</sup> 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 2014.

The surplus on the year of £4,467.11 is very much better than the loss of £5,200 that was budgeted. This was mainly due to CAFOD making an additional contribution and the contributions from the Lush, Wainwright and Silbury Foundations. In addition we received backpayment from the Workers Beer Company for work done by volunteers two years ago.

For FY14/15 we are expecting the grants from CAFOD to be similar to those in FY12/13. Unfortunately, as noted above, 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 in FY14/15 and thereafter.

We expect to have a deficit of the order of £3k in FY 14/15. With the projected reduction in income, this deficit would be achieved by: the reduction in costs through the Coordinator/Advocacy Officer working part-time coming earlier than we expected; an additional grant from the Worth Abbey Outreach Peru.

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<sup>1</sup> Thus for example a cheque from a donor might be received in January for work to be done January to July; this receipt would be recognised in January. Expenses would each be recognised as they occur between January and July.

**Payments and Receipts FY2013/14**

<b>Payments</b>	<b>Budget</b>	<b>Actual</b>
Rent & Insurance	2,660	3,388.48
Salary & National Insurance	26,000	25,173.87
Volunteers	150	290.64
Equipment & Stationary	0	7.30
Travel	2,000	1,777.50 <sup>2</sup>
Phone & Fax, Email & Website	700	1,212.51
Postage	130	40.40
Printing & Copying	100	41.85
Resources	160	396.15
Events	500	1,050.52
Visitor expenses	450	127.00
Other	0	94.57
<b>TOTAL PAYMENTS</b>	<b>32,850</b>	<b>33,600.79</b>

**Receipts**

Grants	22,250	31,979.00
Subscriptions	2,100	1,737.46
Donations	3,000	3,046.37
Special Grants	0	662.00 <sup>3</sup>
Events Income	300	338.39
Other	0	280.00
Interest	0	24.68
<b>TOTAL RECEIPTS</b>	<b>27,650</b>	<b>38,067.90</b>
<b>GRAND TOTAL</b>	<b>-5,200</b>	<b>4,467.11</b>

**Balance Sheet FY2013/14**

	<b>Petty Cash</b>	<b>Santander current</b>	<b>Santander Deposit</b>	<b>Coop</b>	<b>Assets<sup>4</sup></b>	<b>Liabilities and deferred income<sup>5</sup></b>	<b>Total</b>
<b>01-Apr-13</b>	330.06	1,982.58	22,650.87	6,541.91	0.00	-12,542.41	18,963.01
<b>31-Mar-14</b>	255.58	3,091.37	13,092.33	26,740.84	0.00	-19,750.00 <sup>6</sup>	23,430.12
<b>Difference</b>	-74.48	1,108.79	-9,558.54	20,198.93	0.00	-7,207.59	4,467.11

<sup>2</sup> The Coordinator's trip to Peru took place in April 2013. Airfares were included in FY12/13 accounts and other T&S in this year's accounts.

<sup>3</sup> Workers Beer Company volunteer fundraising scheme income held over by WBC from FY12/13.

<sup>4</sup> Cheques or income received but not yet cashed by PSG. Also includes credit provisions.

<sup>5</sup> Deferred income and cheques sent or charges made by PSG but not cashed by recipient.

<sup>6</sup> We received grants of £13,750 and £6,000 for use in FY14/15 at the end of FY13/14. 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 FY14/15 which consequently appears as a liability in the Balance Sheet. There is a similar situation at the end of the previous year.

## **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 2014

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 organisation 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.



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Date: 22<sup>nd</sup> December 2014