

Pesticide Action Network UK

(A Company Limited by Guarantee)

Company No. 2036915

Charity No. 327215

Annual Report and Financial Statements

For the year ended

31 December 2015



Pesticide Action Network UK

Annual Report and financial statements

For the year ended 31 December 2015

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Pesticide Action Network UK

Reference and administrative information details of the charity

For the year ended 31 December 2015

Trustees	Barbara Dinham, Chair Natasha Clayton, Treasurer (Resigned 8 December 2015) Andrew Wallace, Treasurer (Appointed 8 December 2015) Lasse Bruun Vicki Hird Eileen Maybin Christopher Stopes Adam Wakeley Anthony Youdeowei
Executive Director & Company Secretary	Keith Tyrell
Registered office	Brighthelm Centre North Road Brighton BN1 1YD
Telephone	01273 964230
Website	www.pan-uk.org
E-mail	admin@pan-uk.org
Company registration number	02036915 (England and Wales)
Charity registration number	0327215
Auditors	Goldwins Chartered Accountants 75 Maygrove Road West Hampstead London NW6 2EG
Bankers	Co-operative Bank Plc City Office 80 Cornhill London EC3V 3NJ National Westminster Bank Plc Brixton Branch 504 Brixton Road London SW9 8EB CAF Bank Limited PO Box 289 West Malling M19 4TA

Pesticide Action Network UK

Trustees' Report

For the year ended 31 December 2015

The trustees, who are also directors under company law, present their report and financial statements for the year ended 31 December 2015.

The trustees confirm that the financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

PAN UK works to eliminate the dangers of toxic pesticides, our exposure to them, and their presence in environment where we live and work. Nationally and globally, PAN UK promotes safer alternatives, the production of healthy food and sustainable farming.

The charity's objects are:

1. To carry out research into, to gather and disseminate information relating to the manufacture, use, sale and application and effects of pesticides, chemicals, gases anywhere in the world; and
2. To carry out research into, to gather and disseminate information relating to alternatives to pesticides.

Activities in relation to the Charity's purposes and aims

PAN UK undertakes projects in relevant areas of pesticide-related activities to achieve its objectives. In setting the direction of each project, the Trustees are mindful of Charity Commission Guidance on public benefit. In reducing global dependence on hazardous chemicals, and increasing the use of more sustainable alternatives, PAN UK's work has the scope to benefit many communities, especially those currently exposed to such chemicals in the UK and overseas. In the UK, this will for example include residents in urban areas, as PAN UK is working towards ending the use of pesticides in the open spaces of our towns and cities. In Africa, the organic cotton farmers we work with benefit from improved livelihoods through reduced expenditure on chemical inputs and improved health through a reduction in pesticide related illnesses. Their environment improves and their communities are less likely to suffer from poisonings.

The current PAN UK projects are:

a) Focusing on the UK and Europe:

Agriculture and food policy, including strategies for reducing pesticide use, risks and dependence, with representation on government bodies to influence policies (at national and EU level) to reduce overall pesticide use in the UK.

Protecting bees and pollinators, including analysing the evidence to justify greater protection from bee-toxic pesticides and promoting effective non-chemical alternatives.

Reducing public exposure to pesticides in urban areas by supporting local communities to advocate for an end to pesticide use in their towns and cities and working with local authorities to identify and switch to effective alternatives.

b) With an international focus:

Working with farmers in Africa converting to organic and low-input cotton production, and raising consumer awareness, and consequently sales, of organic textile products.

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Activities in relation to the Charity's purposes and aims (continued)

Building the capacity of developing country pesticide regulators and other relevant government agencies so they are better able to control pesticide use in their countries and mitigate negative impacts on their populations and their environments.

Influencing supermarkets and sustainability standards to ensure that the most problematic pesticides are phased out, and that they help farmers to identify and adopt alternatives to chemical pesticides.

Improving international pesticide regulation by gathering and publicising information – particularly from poorer countries – about the damage caused by pesticides.

Providing training in developing countries – and those with economies in transition – on monitoring the effects of pesticide on communities' health and their local environment, and sharing the results of that monitoring.

c) Outreach activities

An active programme of communication raises awareness of pesticides issues and informs project work. In addition to our website www.pan-uk.org, we also published our journal, Pesticides News and a number of specific reports. We continue to provide a free service to answer queries from the media and public and PAN UK staff regularly give talks to interested groups and scientific conferences.

Achievements and performance

1. *Reducing pesticide use in the UK*

Reducing pesticide use in the UK

In the UK, we have continued to target key areas that will reduce the use of pesticides. Our work has included:

Maintaining and extending the EU ban on bee- and pollinator-toxic neonicotinoid pesticides.

We have worked closely with our colleagues in the UK and in Europe to maintain pressure on the European Commission not to relax the ban on three neonicotinoid insecticides, and to extend the ban to include all other neonicotinoids that are used in the EU. The European Commission will continue to assess scientific data on the toxicity to bees of these chemicals with the aim of making a final decision on whether to keep the ban by January 2017. Working closely with our EU colleagues, we have carefully monitored the emerging science and submitted a selection of key scientific studies that the European Commission to help inform its review

Public opinion in the UK strongly supports the European ban, but certain actors – notably the NFU and some politicians – continue to oppose it. Collaborating closely with the UK Bee Coalition of NGOs, of which PAN UK is a founder member, we have worked tirelessly to counter the misinformation and propaganda put forward by the pesticide industry and its allies. This has been key to ensuring that policy makers, the media and the public have access to a balanced range of information based on science, rather than dominated by messages driven by commercial agendas. For example, in the summer of 2015, in response to an NFU demand for an emergency derogation to allow the use of the banned neonicotinoids, we were able to clearly show that the ban has had no discernible impact on crop yields or levels of pest damage and the derogation was refused.

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For the year ended 31 December 2015

Achievements and performance (continued)

1. Reducing pesticide use in the UK (continued)

We also continued to sit on the advisory stakeholder panel for the UK Government National Pollinator Strategy to ensure that pesticide issues – one of the key threats to pollinators – are taken into consideration within the strategy.

Pesticide-free towns

Our work on reducing the use of pesticides in urban areas has grown throughout 2015 and into 2016. In July 2015, building on our campaign to end pesticide use in London's parks and open spaces, we launched our Pesticide-Free Towns campaign. The aim of the campaign is to persuade councils throughout the UK to stop the use of all pesticides (insecticides, herbicides, fungicides,) in the areas that are under their direct control. It aims to provide local communities with the information and tools they need to advocate for an end to pesticide use in their areas, and to support local authorities to switch to non-chemical alternatives. Our first local campaign, in the city of Brighton & Hove, scored a notable success when, the council voted unanimously to trial non-pesticide pest and weed controls with a view to going completely pesticide free by April 2017. The campaign has since been rolled out across the UK and we are developing new campaigns with the same aims.

PAN UK has also been working in the UK and with our colleagues in the EU to try to gain a Europe-wide complete ban on the use of the herbicide glyphosate – the main pesticide used in urban areas. In June 2015, the World Health Organisation (WHO) classified glyphosate as a probable human carcinogen; this coincided with the need to re-approve glyphosate for use in the EU. PAN UK, alongside other European NGOs and labour movements, has been working hard to raise public awareness about the risks of glyphosate and making the case for a ban on its use with Member States.

PAN UK has also been corresponding with major UK retailers and urging them to stop selling all products that contain glyphosate. To date only one retailer has stopped selling such products – Waitrose.

UK Agriculture

Over the year, we continued to be involved with the Pesticides Forum inputting where necessary onto their discussions on pesticide use in agriculture. PAN UK also works closely with its colleagues in the EU on issues that affect the UK particularly related to the development of more sustainable farming practises, greening of the Common Agriculture Policy and implementation of the EU Sustainable Use Directive on pesticides.

Our work to try to ensure that there is an adequate definition for endocrine disrupting chemicals within the EU Regulation for the Placing of Plant Protection Products on the Market will mean that some of the most potentially hazardous pesticides will be taken out of agricultural use.

PAN UK continues to monitor and report on the issue of pesticide residues in food in order to make the public aware of what is in their food and how it is produced. We continue to urge the public to lobby their retailers to ask that they work to remove pesticide residues from their end products by working with their supply chains globally and in the UK to reduce and change the way in which pesticides are used to grow the produce that they sell.

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2. *Promoting sustainable cotton*

Cotton production is notorious for its high use of pesticides worldwide compared to other crops. Evidence gathered by PAN and other organisations over the years has shown that the pesticides used in cotton have poisoned and killed subsistence farmers around the world and introduced unacceptable volumes of pollutants to the environment, some of which will persist for decades to come. PAN-UK is at the forefront of efforts to test and promote safer approaches that will provide a secure livelihood for producers and a safer environment for all of us. Our experience in Benin and Ethiopia has demonstrated that this is achievable.

Benin

In The West African Country of Benin, we continued to work with local partner L'Organisation Béninoise pour la Promotion de l'Agriculture Biologique (OBEPAB) to bring technical support and training to organic cotton farmers. Although organic yields in Benin are somewhat lower than can be achieved by the best conventional cotton farmers, the organic farmers' incomes are higher due to savings on inputs and a 20% premium for organic cotton. The training they receive on cotton has improved their understanding of agronomic issues in their other crops, too. Organic techniques that have been developed or adopted by the project include an innovative food spray, developed with local materials to attract beneficial insects into the crop thereby increasing natural controls on pest species. Botanical pesticides are also made from locally available plant extracts, such as neem. Crop rotation and organic fertilisers are promoted, such as manure and 'tchotchokpo', made locally from palm nut processing residues. Crop diversification is supported in order to improve the resilience of the farming system to climatic and market shocks.

An innovation in 2015 saw the establishment of field trials of new cotton varieties in order to produce organic cotton seed. Seed supply is a big constraint in organic cotton and it the new trials will lead to cottonseed production among smallholder farmers which would provide a good income to the seed producers and benefit organic cotton production generally in Benin.

In October 2015, PAN-UK and Obepab secured four years' new funding from the Big Lottery Fund. Together which along with support from long-term donor TRAIID will enable the project to achieve the following by 2019:

- Extend training and regular technical support to 3000 organic cotton farmers, including at least 1200 women

- Free participating farmers and their families – 24,000 people – from the ill effects of pesticide exposure on their farms

- Alongside organic cotton, the project seeks to improve production and access to markets in other high value organic crops such as shea and cashew

- A strong focus on improving soil quality and fertility

- Establish smallholder production of organic cotton seed

- Continued experimentation and promotion of effective organic techniques and locally made organic products for effective pest control

- The provision of processing equipment for neem, maize and shea will provide villages with the means to raise new income to support school and village development and free girls and young women from time-consuming work, enabling them to increase participation in school and other productive activities.

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Ethiopia

In Ethiopia the TRAIID-funded support for organic cotton farmers is drawing to a close. Since 2013, thanks to funding from TRAIID, PAN UK has worked in partnership with PAN Ethiopia to train almost 2,000 cotton farmers in Integrated Pest Management (IPM) and agro ecological techniques. The project has seen astonishing progress among the cotton farmers it supports, who have eliminated pesticides from their cotton production while rapidly increased their yields as well as the price they secure per kg. In 2015, participating cotton farmers typically achieved yields 50-100% higher than non-trained farmers and now achieve among the highest yields for smallholder cotton in Africa. PAN-UK is working hard with PAN-Ethiopia to secure new support for agro-ecological approaches in a country that still uses high volumes of banned and highly hazardous agrochemicals.

The Farmer Field School training programme delivered by PAN Ethiopia drew on PAN UK's years of experience of delivering successful, participatory cotton training programmes in West Africa. In 2015, PAN Ethiopia and PAN UK, continued to refine and adapt the programme to the environmental and cultural conditions in Ethiopia. In 2015, Ethiopia's Ministry of Agriculture in Ethiopia recently adopted a policy on sustainable agriculture with more focus than before on IPM and promotion of organic farming and this will open the way to widespread adoption of participatory and agro-ecological approaches through its extension services.

In parallel, we continued our work with Professor Robert Mensah of the Australian Cotton Research Institute to develop safe, effective, non-chemical methods of pest control – in particular a harmless "food spray", made with cheap local materials such as yeast and sugar, that attracts beneficial insects into African cotton fields to feed on pests. The JJ Charitable Trust, provided funding to allow us to share this technology with Ethiopian smallholder farmers. The series of trial plots established in 2014 were continued and expanded and have allowed further refinement of the technology. The yields from these trials continue to be much higher than conventional cotton. What is more, these experimental results were replicated in real-life as the first farmers to be trained in its use also recorded higher yields.

3. Supporting global initiatives

In 2015 we wrapped up a one-year pilot study in six countries in the Former Soviet Union. The purpose of the work was to identify serious threats to the health of rural families from pesticides and to raise awareness of the problem.

PAN-UK conducted studies, in collaboration with the Secretariat of the Rotterdam Convention, in six countries (Armenia, Belarus, Georgia, Kyrgyzstan, Moldova, and Ukraine) which revealed that smallholder farmers across the region are routinely using pesticides without even the most basic knowledge of the effects of these chemicals. Common practices include; very low use of protective equipment; storage of pesticides in food and drinks containers; lack of observance of recommended dosages, frequency of application or pre-harvest intervals. Using highly hazardous pesticides in this context is threatening the health of the pesticide users themselves as well as the broader community and the environment.

The work in the Former Soviet Union has been evaluated very positively and is beginning to generate other projects using similar tools. In 2015, PAN-UK secured new funding to work with the Rotterdam Convention and local partners Eco-Life to conduct a new study in Georgia, designed to tease out more detailed information on the use of Highly Hazardous Pesticides in the Kvemo Kartli region of Georgia. More information is being gathered regarding pesticide practices and exposure among different groups, including

3. Supporting global initiatives (continued)

family farmers, farm workers and Azeri minority communities. It is hoped that this will form the basis of a new programme of work to introduce Farmer Field Schools to Georgia in order to promote safer and more sustainable agriculture.

In Ethiopia, we continued our Darwin Initiative-funded project to build capacity to provide policy-makers with scientific evidence they need to develop policies and choices for sustainable agriculture and sound chemical management in the country. In common with most developing countries, the ecological impacts of pesticide use, and wider agriculture sector land use choices, are not well quantified in Ethiopia, especially in the areas where the most hazardous products are used in the most uncontrolled way. This project addressed this problem by providing training to monitor the impacts of pesticide use and agricultural systems on biodiversity and ecosystem services. Working with local communities, we designed and implemented two distinctly different research projects at Arba Minch (in/out crop monitoring) and Lake Ziway (pesticide residue monitoring) respectively. This included managing and training local monitoring teams in both locations, in identifying changes in the abundance of species, populations, communities or functions as a result of an intervention.

In Arba Minch, in-crop monitoring sought to investigate the impacts of different pest management options on commercial cotton farms, looking in particular at pest regulation by natural enemies. Parallel out-crop monitoring sought to identify the impacts of different land use decisions (semi-natural forest; 'ecotone' immediately bordering the large farms; and monoculture) on vegetation and birds. In parallel, a combined strategy of residue testing and monitoring of aquatic invertebrates in Lake Ziway sought to compare biological diversity between areas near effluent channels carrying outflows from a flower farm and less exposed areas near a biodiversity research station and in the middle of the lake.

The data from the research have been fed into national agricultural strategy discussions and have already begun to influence agricultural extension practice in the project areas, but perhaps equally importantly, local people are now much more aware about the value of ecosystems and biodiversity and are adopting behaviours that support a transition to sustainable agriculture.

4. Advising supply chains & promoting sustainable agriculture

Putting progressive policies on pesticide reduction into place in food and fibre supply chains and implementing safer alternatives based on agro ecological principles is one of PAN UK's key objectives. The supply chains of large retailers can extend to many hundreds of thousands of farmers across dozens of countries, so a change in a retailer's pesticide policies can have a significant impact.

In 2015, we continued to engage with supermarkets and sustainability standards to urge them to target highly Hazardous Pesticides (HHPs) and to support farmers to switch to agro-ecological alternatives. In particular, we provided advice to a number of sustainability standards including the Better Cotton Initiative and 4C Coffee Association as they considered revisions to their prohibited, restricted and monitored pesticide lists as part of their formal standard review processes.

4. Advising supply chains & promoting sustainable agriculture (continued)

In all these contexts, it is clear that immediate prohibition of widely used pesticides which feature on the current PAN HHP List poses enormous challenges and economic and livelihood concerns for large and small farms alike. Our approach is to work with supply chains to firstly identify which HHPs are in use, in which crops and against which pests, weeds or diseases, then to prioritise selected pesticides or crops for pilot projects on phasing out specific HHPs in the medium term, replacing these with effective IPM alternatives. Rather than merely opting for a less harmful pesticide, we encourage the farming sector to phase in non-chemical strategies, combining different biological, physical and cultural pest management methods, learning from first-hand experiences elsewhere.

This was complemented with practical pilot projects to demonstrate the process of identification of problem HHPs and development of effective agro ecological approaches.

Phasing out HHPs in Costa Rica

This SAICM-funded project, which we developed in 2013 with Costa Rican PAN colleague Fernando Ramirez from the Regional Research Institute on Toxic Substances (IRET) at the National University, finally started in May 2015. PAN UK's role is to provide technical and policy support to the Costa Rican team, sharing experiences from other countries and linking the work with global policy forums on HHPs. The in-country activities coordinated by the IRET team have got off to an excellent start, conducting pesticide use surveys to identify which HHPs are in use and select priority crops for trialling safer alternatives. The team is focussing on coffee and pineapple, looking at agro ecological alternatives to HHP nematicides in pineapple; HHP fungicides against coffee rust disease; and HHP herbicides paraquat and glyphosate, in large and small farms.

5. Providing Information

PAN UK has always worked to raise awareness about the harm caused by pesticides. We continue to do this in various ways, including publishing information booklets, posters and leaflets as well as through our online communications channels.

In 2015, we contributed to the new PAN International book *Replacing Chemicals with Biology: Phasing out highly hazardous pesticides with agroecology*, aimed at international policy maker audiences related to chemicals management and the pesticide conventions. The book was launched at the SAICM International Conference on Chemicals Management in Geneva. Other notable publications include a new briefing on *Phasing out HHP is possible: farmer experiences in growing coffee without endosulfan*, published with the FAO and translated into the eight official UN languages. Meanwhile, we published a series of briefings, case studies and campaign toolkits to support our Pesticide Free Towns campaign.

In 2015, we expanded the range of communication channels we used to share information. Our website continues to be our main vehicle for sharing information, but we also made good use of social media like Facebook and Twitter and significantly increased our followers. In addition, we contributed to on-line forums and webinars such as the on-line forum *Identifying best practices for reducing the use and impacts of agrochemicals* organised by the new 'learning platform' Sustainability Xchange and the Sustainable Trade Initiative. Our participation helped to raise PAN UK profile and advocacy among the sustainability standards, food sector companies and donor agencies. Meanwhile, working with the secretariats of the Basel, Rotterdam & Stockholm Conventions we participated in three webinars for UNEP's capacity-building series for government officers on implementing the Conventions. The webinars, held in Jan-Mar 2015, looked at the different integrated pest management alternatives collected from our fieldwork and involved collaborators from Colombia and El Salvador.

Pesticide Action Network UK

Trustees' Report

For the year ended 31 December 2015

Financial review

The charity's income for the year was £559,490; very similar to the previous year, and total expenditure was £545,274, generating a surplus for the year of £14,216. Our surplus on restricted funds was £23,685, although we incurred a deficit on our general fund of £9,469. Our resulting general fund at the year-end was £25,196. Our balance sheet is healthy, with significant cash balances that more than cover our restricted funds at the year-end.

Reserves policy

The trustees have established a policy of maintaining a level of unrestricted reserves to ensure that there are adequate funds to meet all current and known future liabilities.

The trustees consider that holding free unrestricted reserves equivalent to between four and six months of expenditure for salaries and organisational costs provides adequate cover. This would suggest a reserve of between £80,000 and £120,000. At 31 December 2015, unrestricted reserves of £25,196 are well below the amount required. However, we believe that we are now in a position after some difficult years to build on this, and aim to bring our reserves within our target over the next five financial years.

Restricted funds arise when a donor places a restriction on how these funds may be spent by the charity. In most situations there will be a timing difference between when such income is received and when it is expended, and when this arises the balance is carried forward in restricted funds. This amount does not form part of the unrestricted reserves of the charity.

Going concern

PAN UK, like many NGOs has faced a challenging funding environment. Substantial work has been done to develop a strong and resilient organisation, although we have to build our reserves, while depending heavily on project based funding. The board reviews the financial performance of the organisation and future funding on a quarterly basis, based on agreed contracts and estimates of potential future funding based on the best available evidence.

Having prepared detailed projections for 2016 and 2017 including confirmed contracts and a moderate and realistic estimate from pending funding applications and other sources, the board of Trustees considers that PAN UK has adequate funding to continue operating for the next twelve months. The accounts have therefore been prepared on a going concern basis.

Principal risks and uncertainties

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finance of the charity, and are satisfied that systems are in place to mitigate the charity's exposure to the major risks. The risk assessment is reviewed annually at board level. The most significant risks faced by the organisation relate to the funding profile and the current economic environment.

Appropriate mitigating controls are being undertaken including regular monitoring of funding by the Board of Trustees.

Plans for the future

The strategic plan developed by staff and Trustees in 2014 remains in place and continues to guide our activities, however, the plan is a "living" document and is regularly reviewed and adapted to reflect new or modified opportunities and threats.

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1. Reducing pesticide use in the UK

As in previous years, protecting bees and other pollinators from pesticides will remain a priority. The European Commission's temporary restrictions on the use of three neonicotinoid pesticides are unlikely to be reviewed or lifted before the end of 2016. We will continue our work with other NGOs and scientists to collect and present robust scientific evidence to support the continuation – and expansion – of the restrictions. At the same time we will document how farmers adjust to the ban in order to identify successful approaches that can be shared across the EU to allow farmers to maintain yields without resorting to other pesticides.

Meanwhile, we will intensify our efforts to encourage UK towns and cities to go pesticide-free. We will support local grass root groups to advocate for change by providing information and guides on how to set up local campaigns. We will also provide practical support to help councils to respond to their communities demands by providing advice on non-chemical alternatives and sharing best practice from around the world

We will also continue to engage with the Environment Food and Rural Affairs (DEFRA), politicians and regulators to reduce pesticide use and promote safer, non-chemical alternatives.

2. Supporting global initiatives

We will seek to use the evidence generated by our projects to promote safe, effective agro-ecological approaches at local and international policy levels, in line with global policy initiatives, and continue to engage with the UN Food and Agriculture Organization, the Rotterdam and Stockholm Conventions and the UN Strategic Approach to International Chemicals Management (SAICM) in order to promote and disseminate our work.

3. Promoting sustainable cotton

We will continue to work with our partners in Africa to train farmers in organic and IPM cotton techniques. We will collect evidence of best practice and disseminate lessons widely so that many more farmers can benefit from our successful techniques. Meanwhile, we will work with NGOs and progressive retailers and brands to promote sustainable cotton and secure uptake.

4. Advising food supply chains & promoting sustainable agriculture

We will build on the strong relationships we have built with leading sustainability standards including Fairtrade, Better Cotton Initiative, 4C Coffee and others. In particular we will work with the new IPM working group established by ISEAL Alliance (the global membership association for sustainability standards) to promote collaboration between standards on sustainable techniques and share best practice in pesticide management. We will with these – and other – organisations to develop effective pesticide policies and support their growers to reduce reliance on chemical inputs. In particular we will encourage retailers, suppliers and other supply chain actors to adopt the PAN International approach for identifying and prioritising the phase out of highly hazardous pesticides (HHPs). We continue our work with retailers to create market demand for more sustainable commodities.

5. Providing information

We will place even more effort in communicating our work. We will invest in staff and technology to allow us to reach more audiences and to tell our stories more effectively. For example, our website is outdated and poorly structured for making the most of the opportunities presented by advances in technology. We will create

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Plans for the future (continued)

Providing information (continued)

a new website that is more suited to our needs and which allows us to fully exploit a wide variety of communications approaches from social media to video and more. We will also work hard to develop networks of supporters – both organisations and individuals – who will assist us in getting our message out.

Structure, governance and management

The charity is constituted as a charitable company limited by guarantee, and was set up by a Memorandum of Association on 14 July 1986. It is governed by its Articles of Association as amended by special resolutions of 2 December 2009, 15 February 2000 and 13 April 1989. Legal responsibility for the management and stewardship is vested in the board of trustees.

The board consisted of eight trustees at 31 December 2015 (the maximum number is 12). The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report. The board met five times in 2015.

Decisions of the board are made by consensus. The Executive Director prepares a brief of the issues and decisions required. These may then be discussed with the Chair of the board and/or the Treasurer of the board before circulation to the full board. In cases where a decision is required between board meetings, all members of the board are circulated with information and feedback given.

The board delegates the day-to-day running of the charity to the Executive Director, who is recruited and appointed by the board. The Executive Director reports regularly to the trustees on the financial and operational performance of the charity, and where necessary other staff report to the trustees on issues appropriate to their work area. Every year, staff and board meet together for an in-depth discussion of strategy and specific policy areas.

Recruitment and appointment of trustees

PAN UK aims to recruit trustees from organisations which represent the constituencies it seeks to serve (health, environment, development organisations and trades unions), as well as members who will bring specific expertise (media, financial, management, pesticide-related). Members of the board give their time voluntarily and are not remunerated beyond repayment of expenses in coming to meetings.

The board has in place a skills matrix which details the skills it has identified as being essential for the governance of the organisation. Each trustee has assessed themselves against each skill and perspective area to identify those areas which are represented poorly and which are strong, which informs the process of recruitment. Other considerations for the board with respect to trustee recruitment are the gender and ethnic mix of the board. This information is used to help guide trustee recruitment strategy. Trustees are sought via PAN UK's website, through PAN UK's organisational networks, via trustee and other search websites and occasionally through advertising.

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Recruitment and appointment of trustees (continued)

Members of the Board are elected for an initial period of three years, and may be re-elected for a further three years. Thereafter, they may not seek re-election for at least one year. However, when imposing this limit on service, the Board recognised the importance of not losing too many experienced trustees at one time, therefore a rolling pattern of retirements of long-standing members of the Board has been established.

Induction and training of trustees

Once recruited, trustees are required to participate in an induction programme. Each trustee is issued with an induction pack which includes the following documents:

Charity commission guidance for trustees

- The Essential Trustee (CC3)
- Hallmarks of an effective charity (CC10)
- It's your decision: charity trustees and decision making (CC27)

Memorandum and articles of association

Latest audited accounts and trustees'

report Latest management accounts

Minutes of recent meetings

Summary of PAN UK

strategy Risk register

Trustee list

Staff list

In addition, new trustees are invited to meet with all staff and to visit the offices.

A 'Board update' is provided to each board meeting with progress reports and activities of each project, publications, outreach activities, funding and donor news, and relevant organisational matters.

Trustees are encouraged to identify development needs which PAN UK seeks to meet.

Key management personnel

The Trustee Board are responsible for setting pay for key management personnel. Pay for key management personnel will always be discussed and agreed during the Trustee Board meetings. The Board take into account a range of benchmarks and criteria when setting pay, including the Job Description and role, NJC pay scales and salaries for equivalent posts.

Related parties and relationships with other organisations

Pesticide Action Network UK plays a significant role in the global Pesticide Action Network (PAN). The global PAN consists of five Regional Centres, located in Africa, Asia and the Pacific, Europe, Latin America and North America. While each of the five Regional Centres is institutionally independent, they maintain regular coordination and collaboration. They have formed an institutional umbrella body 'PAN Regional Centres' in the United States, but it has a limited turnover and does not employ staff. PAN UK has established joint

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programmes and projects with separate PAN Regional Centres, in particular PAN Africa and its member organisations, and in these cases funds and activities are specified in separate contracts.

PAN UK also seeks to work with other organisations on joint projects, where the projects fit the overall goals of all organisations involved. PAN UK is part of a number of coalitions and multi-stakeholder initiatives, and takes an active role in, for example, the UK Food Group, Sustain; the alliance for better food and farming, GM Freeze, and the Better Cotton Initiative.

Statement of responsibilities of the trustees

The trustees (who are also directors of charitable company for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2015 was eight (2014: ten). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Statement as to disclosure to our auditors

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.

Pesticide Action Network UK

Trustees' Report

For the year ended 31 December 2015

Auditors

Goldwins limited were re-appointed as the auditors of the charitable company during the year and have expressed their willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 6th September 2016 and signed on their behalf by;



Barbara Dinham, Chair

Pesticide Action Network UK

Independent Auditors' Report

To the members of Pesticide Action Network UK

We have audited the financial statements of Pesticide Action Network UK for the year ended 31 December 2015 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [(APB's)] Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances, and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015 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.

Pesticide Action Network UK

Independent Auditors' Report

To the members of Pesticide Action Network UK

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report (which incorporates the strategic report and directors' report required by company law) for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- 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.

Anthony Epton

.....
Anthony Epton (Senior Statutory
Auditor) for and on behalf of
Goldwins Limited
Statutory Auditor
Chartered Accountants
75 Maygrove Road West
Hampstead London
NW6 2EG

9 September 2016

Pesticide Action Network UK

Statement of Financial Activities (incorporating an income and expenditure account)

For the Year Ended 31 December 2015

			2015		2014
	Notes	Unrestricted £	Restricted £	Total funds £	Total funds £
Income from:					
Donations and legacies	3	19,219	-	19,219	24,178
Charitable activities:					
Reducing pesticide use in the UK	4	-	54,364	54,364	57,547
Global initiatives	4	-	181,970	181,970	277,655
Sustainable cotton	4	-	195,291	195,291	153,238
Supply chains & sustainable agriculture	4	21,898	56,360	78,258	47,015
Information provision	4	-	30,000	30,000	-
Other trading activities	5	383	-	383	320
Investment income	6	5	-	5	5
Total Income		41,505	517,985	559,490	559,958
Expenditure on:					
Raising funds	7	1,444	-	1,444	722
Charitable activities:					
Reducing pesticide use in the UK	7	3,628	52,392	56,020	59,027
Global initiatives	7	16,538	211,670	228,208	298,904
Sustainable cotton	7	19,007	191,892	210,899	121,031
Supply chains & sustainable agriculture	7	9,652	38,346	47,998	19,678
Information provision	7	705	-	705	510
Total expenditure		50,974	494,300	545,274	499,872
Net income / (expenditure) for the year	8	(9,469)	23,685	14,216	60,086
Net movement in funds		(9,469)	23,685	14,216	60,086
Total funds at 1 January 2015	16	34,665	129,675	164,340	104,254
Total funds at 31 December 2015	16	25,196	153,360	178,556	164,340

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

The attached notes form part of these financial statements.

Pesticide Action Network UK
Balance Sheet
As at 31 December 2015

	Notes	2015 £	2014 £
Fixed assets			
Tangible assets	11	-	-
Current assets			
Debtors	12	16,265	91,130
Cash at bank and in hand		<u>172,680</u>	<u>85,100</u>
		188,945	176,230
Creditors: amounts falling due within one year	13	<u>(10,389)</u>	<u>(11,890)</u>
Net current assets		178,556	164,340
Net assets		<u><u>178,556</u></u>	<u><u>164,340</u></u>
Represented by:			
Restricted funds	16	153,360	129,675
Unrestricted funds			
- General fund	16	25,196	34,665
Total funds	16	<u><u>178,556</u></u>	<u><u>164,340</u></u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the trustees on 6th September 2016 and signed on their behalf by

Barbara Dinham, Chair

Pesticide Action Network UK
Statement of Cash Flows
For the Year Ended 31 December 2015

	Note	2015 £	2015 £	2014 £	2014 £
Net cash provided by / (used in) operating activities	17		87,575		(13,476)
Cash flows from investing activities:					
Interest/ rent/ dividends from investments		5		5	
Cash provided by / (used in) investing activities			5		5
Change in cash and cash equivalents in the year			87,580		(13,471)
Cash and cash equivalents at the beginning of the year			85,100		98,571
Cash and cash equivalents at the end of the year	18		172,680		85,100

Pesticide Action Network UK
Notes to the Financial Statements
For the Year Ended 31 December 2015

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with 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 - effective 1 January 2015) - (Charities SORP FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 January 2014. The trustees believe that a restatement of comparative items is not material, and therefore not required.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) 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 bank.

h) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Pesticide Action Network UK
Notes to the Financial Statements
For the Year Ended 31 December 2015

i) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise of trading costs and the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.
- Expenditure includes attributable VAT which cannot be recovered.

j) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charitable activities, and they have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 7.

k) Operating leases

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

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Furniture and office fittings	25%
Computer and similar equipment	25%

m) Debtors

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

n) Cash at bank and in hand

Cash at bank and cash 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.

o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

q) Pensions

The Company's pension policy is to make a contribution to individual employees' personal pension schemes of up to 5% of gross salary, which must be matched by an employee contribution of at least 3%. Contributions are recognised as expenditure as they fall due.

Pesticide Action Network UK
Notes to the Financial Statements
For the Year Ended 31 December 2015

2 Detailed 2014 comparatives for the statement of financial activities

	Unrestricted £	Restricted £	Total funds £
Income from:			
Donations and legacies	24,178	-	24,178
Charitable activities:			
Reducing pesticide use in the UK	-	57,547	57,547
Global initiatives	-	277,655	277,655
Sustainable cotton	-	153,238	153,238
Supply chains & sustainable agriculture	39,092	7,923	47,015
Information provision	-	-	-
Other trading activities	320	-	320
Investment income	5	-	5
Total Income	63,595	496,363	559,958
Expenditure on:			
Raising funds	722	-	722
Charitable activities:			
Reducing pesticide use in the UK	9,258	49,769	59,027
Global initiatives	37,539	261,365	298,904
Sustainable cotton	15,553	105,478	121,031
Supply chains & sustainable agriculture	12,755	6,923	19,678
Information provision	510	-	510
Total expenditure	76,337	423,535	499,872
Net income	(12,742)	72,828	60,086
Net movement in funds	(12,742)	72,828	60,086
Total funds at 1 January 2014	47,407	56,847	104,254
Total funds at 31 December 2014	34,665	129,675	164,340

Pesticide Action Network UK

Notes to the Financial Statements

For the Year Ended 31 December 2015

3 Income from donations and legacies

	Unrestricted	Restricted	2015 Total	2014 Total
	£	£	£	£
Gifts				
- The Roger Vere Foundation	400	-	400	-
- John & Susan Bowers Foundation	1,000	-	1,000	-
- Anber Fund via LCVS	2,000	-	2,000	-
- The Cuthbert Horn Trust	4,000	-	4,000	-
- Croadace Homes Ltd	6,000	-	6,000	-
- 1970 Trust	3,000	-	3,000	3,000
- Cuthbert Horn Charitable Trust	-	-	-	4,000
- Janelaw Trust	-	-	-	500
- Rowan Charitable Trust	-	-	-	2,538
- Zephyr Charitable Trust	-	-	-	3,200
Other gifts	2,819	-	2,819	10,940
	<u>19,219</u>	<u>-</u>	<u>19,219</u>	<u>24,178</u>

4 Income from charitable activities

	Unrestricted	Restricted	2015 Total	2014 Total
	£	£	£	£
Reducing pesticide use in the UK				
Greenpeace Environmental Trust	-	-	-	15,000
Network for Social Change	-	-	-	13,778
C S Fund via PAN NA	-	9,364	9,364	8,769
Chapman Charitable Trust	-	20,000	20,000	20,000
Zephyr Charitable Trust	-	25,000	25,000	-
Total reducing pesticide use in the UK	-	54,364	54,364	57,547
Global initiatives				
The Darwin Initiative	-	88,807	88,807	90,047
Department for International Development (DFID)	-	-	-	18,203
FAO	-	93,163	93,163	169,405
Total for global initiatives	-	181,970	181,970	277,655
Sustainable cotton				
JJ Charitable Trust	-	20,000	20,000	20,000
TRAID	-	109,792	109,792	130,238
Big Lottery Fund	-	56,653	56,653	-
Liberty Fund	-	8,846	8,846	-
Bryan Guinness Charitable Trust	-	-	-	3,000
Total for sustainable cotton	-	195,291	195,291	153,238
Supply chains and sustainable agriculture				
Marisla fund via PAN NA	-	3,152	3,152	2,923
PAN NA	-	-	-	-
FAO	-	11,901	11,901	5,000
SAICM via IRET	-	31,307	31,307	-
Polden Puckham Charitable Trust	-	10,000	10,000	-
Consultancy	21,898	-	21,898	39,092
Total supply chains/sustainable agriculture	21,898	56,360	78,258	47,015
Information Provision				
Tolkien Trust	-	30,000	30,000	-
Total for information provision	-	30,000	30,000	-
Total income from charitable activities	<u>21,898</u>	<u>517,985</u>	<u>539,883</u>	<u>535,455</u>

Pesticide Action Network UK
Notes to the Financial Statements
For the Year Ended 31 December 2015

5 Income from other trading activities

	Unrestricted	Restricted	2015 Total	2014 Total
	£	£	£	£
Publication sales and subscriptions	150	-	150	225
Other trading activities	233	-	233	95
	<u>383</u>	<u>-</u>	<u>383</u>	<u>320</u>

6 Income from investments

	Unrestricted	Restricted	2015 Total	2014 Total
	£	£	£	£
Bank interest	5	-	5	5
	<u>5</u>	<u>-</u>	<u>5</u>	<u>5</u>

Pesticide Action Network UK
Notes to the Financial Statements
For the Year Ended 31 December 2015

7 Analysis of expenditure

	Basis of allocation	Cost of raising funds	Charitable activities					Support costs	Governance costs	2015 Total	2014 Total
			Reductions in pesticide use UK	Global Initiatives	Sustainable cotton	Supply chains & sustainable agriculture	Information provision				
		£	£	£	£	£	£	£	£	£	£
Staff costs	Direct	-	47,392	58,594	55,897	23,810	-	35,973	-	221,666	215,655
Direct costs	Direct	1,278	2,148	88,548	130,609	18,636	624	-	-	239,843	210,183
Transfers to Partners	Direct	-	-	55,346	-	-	-	-	-	55,346	37,655
Support costs - Rent	Direct	-	-	-	-	-	-	14,333	-	14,333	13,357
Support costs - Other	Direct	-	-	-	-	-	-	10,086	-	10,086	18,326
Governance costs	Direct	-	-	-	-	-	-	-	4,000	4,000	4,696
		1,278	49,540	200,488	186,506	42,446	624	60,392	4,000	545,274	499,872
Support costs	% expenditure	160	6,222	25,178	23,423	5,331	78	(60,392)	-	-	-
Governance costs	% expenditure	6	258	2,542	970	221	3	-	(4,000)	-	-
Total expenditure 2015		1,444	56,020	228,208	210,899	47,998	705	-	-	545,274	499,872
Total expenditure 2014		722	59,027	298,904	121,031	19,678	510	-	-	499,872	

Of the total expenditure, £50,974 was unrestricted (2014: £76,337) and £494,300 was restricted (2014: £423,535).

Pesticide Action Network UK
Notes to the Financial Statements
For the Year Ended 31 December 2015

8 Net income / (expenditure) for the year

This is stated after charging / (crediting):	2015	2014
	£	£
Operating lease rentals:		
Property	14,333	13,357
Other equipment	355	956
Auditor's remuneration: audit fees	4,000	4,000
Foreign exchange (gains) / losses	(11)	(22)

9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:	2015	2014
	£	£
Salaries and wages	199,270	193,474
Social security costs	17,774	19,204
Employer's contribution to defined contribution pension schemes	4,622	2,977
	<u>221,666</u>	<u>215,655</u>

No employee earned more than £60,000 during the year (2014: nil)

The total employee benefits including pension contributions of the key management personnel were £51,662 (2014: £50,167).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2014: £nil) neither were they reimbursed expenses during the year (2014: £nil). No charity trustee received payment for professional or other services supplied to the charity (2014: £nil).

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2015	2014
	No.	No.
Charitable activities	5	5
Support	1	1
	<u>6</u>	<u>6</u>

10 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Pesticide Action Network UK
Notes to the Financial Statements
For the Year Ended 31 December 2015

11 Tangible fixed assets

	Furniture, fittings and equipment	
	2015	2014
	£	£
Cost		
At the start of the year	5,021	5,021
Additions in year	-	-
Disposals in year	-	-
At the end of the year	<u>5,021</u>	<u>5,021</u>
Depreciation		
At the start of the year	5,021	5,021
Charge for the year	-	-
Eliminated on disposal	-	-
At the end of the year	<u>5,021</u>	<u>5,021</u>
Net book value		
At the end of the year	<u>-</u>	<u>-</u>
At the start of the year	<u>-</u>	<u>-</u>

All of the above assets are used for charitable purposes.

12 Debtors

	2015	2014
	£	£
Trade debtors	1,535	6,738
Other debtors	1,000	1,630
Prepayments	584	390
Accrued income	13,146	82,372
	<u>16,265</u>	<u>91,130</u>

13 Creditors: amounts falling due within one year

	2015	2014
	£	£
Trade creditors	2,249	1,436
Taxation and social security	-	-
Other creditors	85	6,454
Accruals	8,055	4,000
	<u>10,389</u>	<u>11,890</u>

14 Pension scheme

The charity's pension policy is to make contributions to individual employee personal pension schemes of up to 5% of the individual's gross salary, which must be matched by an employee contribution of at least 3%. Various independent managers, chosen by the employees partaking in the scheme, manage the funds.

Pesticide Action Network UK
Notes to the Financial Statements
For the Year Ended 31 December 2015

15 Analysis of net assets between funds

	General	Restricted	Total
	£	£	funds
			£
Tangible fixed assets	-	-	-
Net current assets	25,196	153,360	178,556
Long term liabilities	-	-	-
Net assets at the end of the year	25,196	153,360	178,556

16 Movements in funds

	At the start	Incoming	Outgoing		At the end of
	of the year	resources &	resources &	Transfers	the year
	£	gains	losses	£	£
Restricted funds:					
Reductions of pesticide use in the UK	7,778	54,364	52,392	-	9,750
Global initiatives	53,387	181,970	211,671	-	23,686
Sustainable cotton	67,510	195,291	191,892	-	70,909
Supply chains & sustainable agriculture	1,000	56,360	38,345	-	19,015
Information provision	-	30,000	-	-	30,000
Total restricted funds	129,675	517,985	494,300	-	153,360
General funds	34,665	41,505	50,974	-	25,196
Total unrestricted funds	34,665	41,505	50,974	-	25,196
Total funds	164,340	559,490	545,274	-	178,556

Purposes of restricted funds:

Reductions of pesticide use in the UK

This project works to influence UK policy to reduce pesticide use by engaging with progressive retailers, crop adviser and farmers to promote safer and more sustainable alternatives. The project campaigns for withdrawal of the most hazardous pesticides.

Global initiatives

This includes activities to strengthen international initiatives to address pesticide problems and to bring to international attention the effects on people in poorer countries, to help reduce pesticide hazards and promote sustainable alternatives. Working with African partners, we are helping to implement international initiatives and to encourage sustainable development. PAN has played a leading role in drawing attention to the huge stockpiles of obsolete pesticides that have accumulated in all African countries, for example through over supply, unwanted donations or poor storage and management. This has led to a global partnership, the African Stockpiles Programme, to eliminate stockpiles across the continent. PAN UK is playing a leading role with PAN Africa to engage local public interest organisations and help with safe disposal and promote more sustainable alternatives.

Sustainable cotton

The project supports partners in West Africa who are helping poor farmers to convert to organic, and raises consumer awareness and consequently sales of organic textile products.

Pesticide Action Network UK
Notes to the Financial Statements
For the Year Ended 31 December 2015

16 Movements in funds (continued) Supply chains & sustainable agriculture

This project generates support for safer and more sustainable farming systems that enhance the livelihoods of women and men in poorer countries, especially in agriculture. Stricter pesticide regulations in Europe and supermarkets' quality standards can help improve agricultural practices but, unless sensitively implemented, may discriminate against many smallholders who are ill-equipped to comply with these requirements.

Information provision

This includes activities to raise awareness among the general public about the harm caused by pesticides. We do this in a number of ways, including publishing information booklets, posters and leaflets as well as through our online communications channels.

17 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2015 £	2014 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	14,216	60,086
Depreciation	-	-
Interest, rent and dividends from investments	(5)	(5)
Gains/ (losses) on investments	-	-
(Loss)/ profit on the sale of fixed assets	-	-
(Increase)/ decrease in stock	-	-
(Increase)/ decrease in debtors	74,865	(35,547)
Increase/ (decrease) in creditors	(1,501)	(38,010)
Net cash provided by / (used in) operating activities	87,575	(13,476)

18 Analysis of cash and cash equivalents

	At 1 January 2015 £	Cash flows £	Other changes £	At 31 December 2015 £
Cash at bank and in hand	85,100	87,580	-	172,680
Total cash and cash equivalents	85,100	87,580	-	172,680

19 Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Property		Equipment	
	2015 £	2014 £	2015 £	2014 £
Less than 1 year	16,965	14,333	609	609
1 - 5 years	-	14,333	812	1,421
	16,965	28,666	1,421	2,030

20 Contingent assets or liabilities

There are no contingent assets or liabilities existing.

Pesticide Action Network UK
Notes to the Financial Statements
For the Year Ended 31 December 2015

21 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

22 Related party transactions

PAN UK is related to Pesticide Action Network Europe (PAN Europe), a company registered in England and Wales, by virtue of the fact that PAN UK is one of the founding members of PAN Europe and has the right to appoint PAN Europe's Secretary. PAN Europe's objectives closely relate to PAN UK's objectives and from time to time PAN UK supports PAN Europe's projects by providing administrative support.

In 2015, PAN UK received £10,000 from Polden Puckham Charitable Trust and paid it to PAN Europe for work on supply chains and sustainable agriculture. There were no amounts outstanding between PAN UK and PAN Europe at 31st December 2015.

23 Impact of transition to FRS 102 and SORP 2015

There are no material transitional adjustments.