

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 2016



Pesticide Action Network UK

Annual Report and financial statements

For the year ended 31 December 2016

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Pesticide Action Network UK

Reference and administrative information details of the charity

For the year ended 31 December 2016

Trustees	Barbara Dinham, Chair Andrew Wallace, Treasurer Lasse Bruun David Goulson (appointed 31 May 2016) Vicki Hird Victoria Johnson (appointed 31 May 2016) Eileen Maybin Christopher Stopes Adam Wakeley Anthony Youdeowei
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 2016

The trustees, who are also directors under company law, present their report and financial statements for the year ended 31 December 2016.

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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- 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

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

Securing strong and robust Pesticide rules once the UK leaves the EU

In June 2016, the UK voted to leave the EU. This decision has dramatic implications for all areas of UK policy with over 12,000 EU laws and regulatory instruments set to be replaced or re-negotiated. Unravelling this package is fraught with risks – especially for UK farming which is heavily influenced by EU Policy – and a transition to a sustainable farming model is far from guaranteed. Powerful vested interests are using Brexit as an opportunity to aggressively promote a deregulation agenda and are seeking to water down legislation currently in place to protect human health and the environment

PAN UK believes that maintaining strong controls on pesticide use and protecting the countryside is compatible with a thriving and productive farming sector. In the months following the vote, we launched a new campaign to secure strong and robust pesticide rules once the UK leaves the EU. The campaign calls on the UK government to:

1. Protect – and ideally strengthen – legal controls on pesticides once the UK leaves the EU.
2. Introduce policies that reduce farming's reliance on agrochemicals.
3. Introduce policies that support a shift to a more sustainable farming system.

PAN UK has developed a clear set of practical policy proposals to support these aims and will continue to both lobby politicians and civil servants for our goals and mobilise our supporters to echo our demands as Brexit unfolds.

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

We have continued to work closely with our colleagues in the UK and in Europe to maintain pressure on the European Commission to maintain the ban on three neonicotinoid insecticides that have been implicated in the declines of bees and other wild pollinators. The European Commission introduced the ban in 2012, and continues 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 the end of 2017. We published another in-depth factsheet in 2016, this time examining the persistence of neonicotinoids in the environment.

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.

We also continue 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 campaign to encourage local authorities to stop using pesticides in public spaces has gone from strength to strength, with more than 20 local campaigns established in 2016. In March, Brighton & Hove Council voted unanimously to stop the use of glyphosate and trial non chemical alternatives and soon after, the town of Wadebridge in Cornwall and London borough Hammersmith & Fulham also adopted pesticide-free policies. We think that many more authorities will follow suit in 2017. In November, we hosted our first pesticide-free workshop aimed at Councillors, Council officers and contractors, and will be rolling out a series of regional workshops over the course of 2017 to provide practical support and guidance to help authorities make the transition away from chemical weed control.

During the course of 2016, our campaign focused a lot of attention on the weed killer glyphosate. This is the most widely used herbicide in the world and is heavily used by local authorities to control weeds in their areas. In 2015, the International Agency for Research on Cancer (IARC), part of the World Health Organization, concluded that glyphosate probably causes cancer in humans. The European Commission was, in 2016, due to re-approve glyphosate for use in the EU and, prior to the IARC decision, it was thought that the weed killer would soon be granted a further 15 years of unhindered use. Working with our European colleagues we managed to raise awareness of the health concerns amongst the public and politicians and, following a vast amount of debate and much delay, glyphosate was only awarded an 18 month temporary approval with use restrictions whilst further research into its toxicity takes place. A European Citizen's Initiative calling for a ban received 1.2 million signatures and we contributed greatly to the 100,000 signatures obtained in the UK.

In addition, PAN UK initiated a letter writing campaign to retailers calling on them to stop selling glyphosate products and, in 2016, Waitrose became the first to remove the herbicide from its shelves. We are hoping that other responsible retailers will follow this lead in 2017.

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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 many farmers around the world and polluted the environment. PAN-UK is at the forefront of efforts to test and promote safer approaches to smallholder cotton farming 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.

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 TRAID 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
- 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.

Project highlights in 2016 included developing a new reporting system and undertaking a baseline study, surveying 500 farmers (organic and conventional). The process was new for OBEPAB staff, but they did a great job and we modified our training for farmers as a result of the findings. The study also revealed more severe health problems than we expected among conventional farmers e.g. 42% of conventional farmers said they had experienced acute pesticide poisoning in the previous year and 17% said they had

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experienced signs and symptoms of pesticide poisoning *6+ times* in the previous year. We also found evidence of continued use of the banned pesticide endosulfan, which was contrary to all the feedback we had had from experts in the region. These findings reinforced the need for the project to continue and expand in the country.

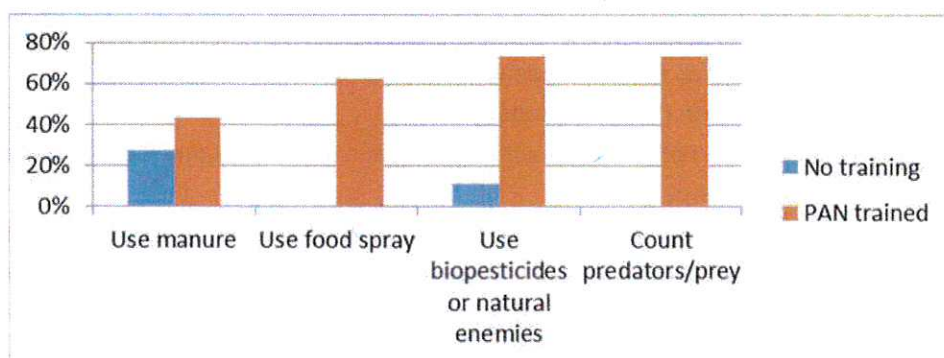
Ethiopia

Our TRAIID-funded project to tackle pesticide dependency in cotton production in the Ethiopian Rift valley was launched in 2013.

Over that period it has achieved the following:

- High quality Farmer Field School training in IPM delivered to 1,976 cotton farmers
- Participating farmers are achieving yield increases of over 100% compared to 2012-13
- Trained farmers are adopting a range of sustainable practices that will help them to achieve good cotton yields for the future. Many of these techniques (such as composting, regular inspection and weeding) will benefit their other crops, too.
- The few cotton merchants in Gamo Gofa zone in 2012 have lost their strangle hold on the markets, meaning that all cotton farmers in the area have many more options for selling their cotton and are achieving significantly higher prices as a result.
- The new cooperative at Shelle Melle village secured a lucrative contract for its cotton, making 33ETB /kg compared to 10-15 ETB on local markets.
- The Bureau of Agriculture (BoA) has pledged its commitment to continuing to promote IPM cotton and FFS approaches
- The national draft strategy on pest management emphasizes the importance of IPM, thanks to policy influence by PAN Ethiopia

In February a survey of a sample of our farmers clearly showed that the training is having an impact on farmers' practices, such as use of manure to improve soil quality; use of bio pesticides and inspecting the crop to determine the balance between pests and beneficial insects. This includes both lead and follower farmers. See figure below.



% respondents using IPM techniques with and without PAN training.

The survey indicated that, prior to training, conventional smallholder cotton farmers in Gamo Gofa were applying pesticides 3.3 times per season, while some farmers were applying them as much as 6-7 times. Personal Protective Equipment (PPE) is not used by the vast majority of farmers. Farmers involved in the FFS report that, prior to training, they had little knowledge of the effects of pesticides on health. We know

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that highly hazardous pesticides continue to be sold in the area. Unfortunately, in these circumstances we can be sure that farmers who use pesticides, and their families, are at high risk of pesticide exposure and pesticide poisoning. That risk has been eliminated among trained farmers who have ceased to use pesticides and their whole community benefits from a less polluted environment.

Field trials were conducted in two locations in order to compare production costs as well as yield from different approaches. The results show that the methods being taught to cotton farmers have the potential to increase their income significantly, with net revenue being 218% and 68% higher using organic techniques compared to conventional plots using pesticides and local farmers' usual practices but assuming that the cotton would achieve the same price. In fact, organic farmers are achieving better prices for their high quality product. According to our most recent survey, the price obtained by participating farmers per kg of cotton has increased by 77% since the start of the project (up from 6.75ETB/kg in 2012 to 11.95ETB/kg in 2015), compared to 47% for non-participating farmers (9.95ETB/kg in 2015). The members of Shelle Melle Cooperative are doing even better. Their high quality cotton secured 33ETB/kg this season, a huge increase since 2012.

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 maize 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. In 2016, we published a comprehensive manual on how to use the food spray. Aimed at extension workers and project managers, the manual guides users, step-by-step, through the process of integrating the food spray method into IPM programmes so that many more farmers can benefit from the technology.

3. Supporting global initiatives

In 2015, 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. In 2016, we built on this work to conduct a more detailed study into pesticide use in Georgia. Again working with the Rotterdam Convention and local partners Eco-Life, we questioned nearly 1,000 farmers and farmworkers to find out more about pesticide exposure among different groups, including family farmers, farm workers and Azeri minority communities. As well as human poisonings, we uncovered high levels of livestock deaths and dangerous practices. The exercise has encouraged the Georgian government into more action and it has submitted more incident reports under Article VI of the Rotterdam Convention to share information about the dangers of specific pesticides.

In parallel with this work, we worked with the Rotterdam Convention to update their Severely Hazardous Pesticide Formulation (SHPF) Toolkit and make it easier to use and more visually appealing. The toolkit guides governments through the process of collecting evidence on the health effects of specific pesticides under “real life” conditions of use.

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 2016 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, Fairtrade International and the Forest Stewardship Council.

In all these contexts, it is clear that if we are serious helping farmers to move away from HHPs it is clear that we need to provide effective training and technical support to help them adopt safer alternatives. 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, replacing these with effective IPM alternatives. Rather than merely opting for a less toxic 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. Our work with supply chains is complemented with practical projects to demonstrate the process of identification of problem HHPs and development of effective agro ecological approaches such as:

Phasing out HHPs in Costa Rica

This SAICM-funded project, with the Regional Research Institute on Toxic Substances (IRET) at the National University, was launched 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 identified which HHPs are in use and in 2016 began to identify and test at agro ecological alternatives to chemical nematicides in pineapple; fungicides against coffee rust disease; and the herbicides paraquat and glyphosate, in large and small farms. This work was shared with retailers and with international policy-makers including members of the Rotterdam Convention's Chemical Review Committee.

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 2016, we increased our communications activities significantly and put more effort into improving and professionalising our communications. We recruited a dedicated full-time Communications Officer which has boosted our ability to tell our story and to expand our audience. With more staff time on communications both at operational and planning levels we were able to develop a new communications strategy, embark on a complete overhaul and redesign of our website; and increase our communications output (including articles, case studies, press releases, and social media posts).

For example we jointly published two major reports on the sustainable cotton with WWF and Solidaridad: In March, we launched a report on market uptake of sustainable cotton, and in July a second report ranked retailers' policies and procurement of cotton. Both reports secured significant media coverage worldwide. We contributed to the new PAN International "monograph" on glyphosate. This document, a collaboration of toxicologists and scientists from across the PAN global network, provided a timely and comprehensive review of the science around glyphosate. It was launched at the "Monsanto Tribunal" in The Hague in October.

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Financial review

The charity's income for the year was £468,707 slightly down on the previous year. However, total expenditure was £459,378, generating a surplus for the year of £9,329. Our surplus on unrestricted funds was £26,295, although we incurred a deficit on our restricted fund of £16,966 as a result of fewer payments being received in advance than in 2015. Our resulting general fund at the year-end after considering the brought forward fund balance was £51,491 and the restricted fund is £136,394. 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 £90,169 and £135,254. At 31 December 2016, unrestricted reserves of £51,491 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 continues to face 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 2017 and 2018 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 five-year 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. The process of developing a new plan will begin in 2018.

1. Reducing pesticide use in the UK

Brexit will be a significant focus of our activities in the UK. Not only will we work to defend hard-won pesticide controls and ensure that regulations are not weakened once we leave the EU, but we will also push for a more sustainable approach to agriculture which supports farmers to reduce pesticide use and protect biodiversity. Brexit provides a once in a lifetime opportunity to develop a new agricultural system that allows farmers to make a good living, but at the same time delivers a safe and healthy environment. Engaging effectively in the Brexit process will require significant staff time and resources. We plan to expand our team by recruiting a Head of Policy and Campaigns to lead on UK activities.

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 likely to be reviewed in 2017. 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.

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, the UN Strategic Approach to International Chemicals Management (SAICM), and UN Environment (UNEP) 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, Forest Stewardship Council 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 work with these – and other – organisations to develop effective pesticide policies and support their growers to reduce reliance on chemical inputs. In particular we will

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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 continue to expand our communications activities to reach more audiences and to tell our stories more effectively. We will redesign and improve our website so it is more suited to our needs and allows us to fully exploit a wide variety of communications approaches from social media to video and more. We will work with our partners to help them collect information so they are better able to share evidence of their impact. 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 ten trustees as at 31 December 2016 (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 four times in 2016.

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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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 in London.

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 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.

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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 2016 was ten (2015: eight). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Pesticide Action Network UK

Trustees' Report

For the year ended 31 December 2016

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.

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 25th July 2017 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 2016 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows 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 2016 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

4 August 2017

Pesticide Action Network UK

Statement of Financial Activities (Incorporating an income and expenditure account) For the Year Ended 31 December 2016

	Notes	2016 Unrestricted £	2016 Restricted £	2016 Total funds £	2015 Total funds £
Income from:					
Donations	3	25,398	-	25,398	19,219
Charitable activities:					
Reducing pesticide use in the UK	4	-	88,009	88,009	54,364
Global initiatives	4	-	75,739	75,739	181,970
Sustainable cotton	4	-	216,408	216,408	195,291
Supply chains & sustainable agriculture	4	51,320	7,046	58,366	78,258
Information provision	4	-	-	-	30,000
Other trading activities	5	237	-	237	383
Investment income	6	5	-	5	5
Other income	7	4,545	-	4,545	-
Total Income		81,505	387,202	468,707	559,490
Expenditure on:					
Raising funds	8	274	-	274	1,444
Charitable activities:					
Reducing pesticide use in the UK	8	469	75,969	76,438	56,020
Global initiatives	8	11,648	99,425	111,073	228,208
Sustainable cotton	8	14,004	172,713	186,717	210,899
Supply chains & sustainable agriculture	8	28,815	26,061	54,876	47,998
Information provision	8	-	30,000	30,000	705
Total expenditure	8	55,210	404,168	459,378	545,274
Net movement in funds		26,295	(16,966)	9,329	14,216
Total funds at 1 January 2016		25,196	153,360	178,556	164,340
Total funds at 31 December 2016	17	51,491	136,394	187,885	178,556

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 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	12	-	-
Current assets			
Debtors	13	14,250	16,265
Cash at bank and in hand		<u>185,978</u>	<u>172,680</u>
		200,228	188,945
Creditors: amounts falling due within one year	14	<u>(12,343)</u>	<u>(10,389)</u>
Net current assets		187,885	178,556
Net assets		<u>187,885</u>	<u>178,556</u>
Represented by:			
Restricted funds	17	136,394	153,360
Unrestricted funds			
- General fund	17	51,491	25,196
Total funds	17	<u>187,885</u>	<u>178,556</u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part15 of the Companies Act 2006.

Approved by the trustees on 25th July 2017 and signed on their behalf by


.....
Barbara Dinham, Chair

Pesticide Action Network UK
Statement of Cash Flows
For the Year Ended 31 December 2016

	Note	2016	2016	2015	2015
		£	£	£	£
Net cash provided by / (used in) operating activities	18		12,978		87,575
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			12,983		87,580
Cash and cash equivalents at the beginning of the year			172,680		85,100
Cash and cash equivalents at the end of the year	19		185,663		172,680

Pesticide Action Network UK
Notes to the Financial Statements
For the Year Ended 31 December 2016

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) Public benefit entity

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

c) 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.

d) 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.

e) 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.

f) 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.

g) 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 2016

h) 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.

i) 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. These costs 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.

j) Operating leases

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

k) 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%

l) 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.

m) 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.

n) 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.

o) 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.

p) 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 2016

2 Detailed comparatives for the statement of financial activities

	Unrestricted	Restricted	Total funds
	£	£	£
Income from:			
Donations	19,219	-	19,219
Charitable activities:			-
Reducing pesticide use in the UK	-	54,364	54,364
Global initiatives	-	181,970	181,970
Sustainable cotton	-	195,291	195,291
Supply chains & sustainable agriculture	21,898	56,360	78,258
Information provision	-	30,000	30,000
Other trading activities	383	-	383
Investment income	5	-	5
Total income	41,505	517,985	559,490
Expenditure on:			
Raising funds	1,444	-	1,444
Charitable activities:			
Reducing pesticide use in the UK	3,628	52,392	56,020
Global initiatives	16,538	211,670	228,208
Sustainable cotton	19,007	191,892	210,899
Supply chains & sustainable agriculture	9,652	38,346	47,998
Information provision	705	-	705
Total expenditure	50,974	494,300	545,274
Net movement in funds	(9,469)	23,685	14,216
Total funds at 1 January 2015	34,665	129,675	164,340
Total funds at 31 December 2015	25,196	153,360	178,556

Pesticide Action Network UK
Notes to the Financial Statements
For the Year Ended 31 December 2016

3 Income from donations

	Unrestricted	Restricted	2016	2015
	£	£	Total	Total
			£	£
Gifts				
- The Roger Vere Foundation	-	-	-	400
- John & Susan Bowers Foundation	500	-	500	1,000
- Anber Fund via LCVS	2,000	-	2,000	2,000
- The Cuthbert Horn Trust	4,000	-	4,000	4,000
- Croadace Homes Ltd	8,500	-	8,500	6,000
- 1970 Trust	2,400	-	2,400	3,000
- Other donations and gifts	7,998	-	7,998	2,819
	<u>25,398</u>	<u>-</u>	<u>25,398</u>	<u>19,219</u>

4 Income from charitable activities

	Unrestricted	Restricted	2016	2015
	£	£	Total	Total
			£	£
Reducing pesticide use in the UK				
C S Fund via PAN NA	-	10,209	10,209	9,364
Chapman Charitable Trust	-	25,000	25,000	20,000
Lush Charity Pot	-	2,800	2,800	-
Zephyr Charitable Trust	-	50,000	50,000	25,000
Total reducing pesticide use in the UK	-	88,009	88,009	54,364
Global initiatives				
The Darwin Initiative	-	21,898	21,898	88,807
FAO-RC - SHPF Toolkit	-	18,428	18,428	-
FAO	-	35,413	35,413	93,163
Total for global initiatives	-	75,739	75,739	181,970
Sustainable cotton				
JJ Charitable Trust	-	-	-	20,000
TRAID	-	102,036	102,036	109,792
Big Lottery Fund	-	114,372	114,372	56,653
Liberty Fund	-	-	-	8,846
Total for sustainable cotton	-	216,408	216,408	195,291
Supply chains and sustainable agriculture				
Marisla fund via PAN NA	-	3,403	3,403	3,152
FAO	-	-	-	11,901
SAICM via IRET	-	3,643	3,643	31,307
Polden Puckham Charitable Trust	-	-	-	10,000
Consultancy	51,320	-	51,320	21,898
Total supply chains/sustainable agriculture	51,320	7,046	58,366	78,258
Information Provision				
Tolkien Trust	-	-	-	30,000
Total for information provision	-	-	-	30,000
Total income from charitable activities	51,320	387,202	438,522	539,883

Pesticide Action Network UK
Notes to the Financial Statements
For the Year Ended 31 December 2016

5 Income from other trading activities

	Unrestricted	Restricted	2016	2015
	£	£	Total	Total
			£	£
Publication sales and subscriptions	125	-	125	150
Other trading activities	112	-	112	233
	<u>237</u>	<u>-</u>	<u>237</u>	<u>383</u>

6 Income from investments

	Unrestricted	Restricted	2016	2015
	£	£	Total	Total
			£	£
Bank interest	5	-	5	5
	<u>5</u>	<u>-</u>	<u>5</u>	<u>5</u>

7 Other income

	Unrestricted	Restricted	2016	2015
	£	£	Total	Total
			£	£
Foreign exchange gain	4,545	-	4,545	-
	<u>4,545</u>	<u>-</u>	<u>4,545</u>	<u>-</u>

Pesticide Action Network UK
Notes to the Financial Statements
For the Year Ended 31 December 2016

8 Analysis of expenditure

		Charitable activities										
Basis of allocation		Cost of Reductions raising funds in pesticide use UK		Global Sustainable Initiatives		Supply chains & sustainable agriculture		Information provision	Support costs	Governance costs	2016 Total	2015 Total
		£	£	£	£	£	£	£	£	£	£	£
Staff costs	Direct	-	62,137	40,544	42,972	41,331	25,000	13,284	-	-	225,268	221,666
Direct costs	Direct	248	6,779	58,246	125,372	9,698	494	-	-	-	200,837	239,843
Transfers to Partners	Direct	-	-	-	-	-	-	-	-	-	-	55,346
Support costs - Rent	Direct	-	-	-	-	-	-	16,513	-	-	16,513	14,333
Support costs - Other	Direct	-	-	-	-	-	-	12,760	-	-	12,760	10,086
Governance costs	Direct	-	-	-	-	-	-	-	-	4,000	4,000	4,000
		248	68,916	98,790	168,344	51,029	25,494	42,557	4,000	459,378	545,274	
Support costs	% expenditure	25	7,104	10,184	17,354	3,538	4,352	(42,557)	-	-	-	-
Governance costs	% expenditure	1	418	2,099	1,019	309	154	-	(4,000)	-	-	-
Total expenditure 2016		274	76,438	111,073	186,717	54,876	30,000	-	-	459,378	545,274	
Total expenditure 2015		1,444	56,020	228,208	210,899	47,998	705	-	-	545,274		

Of the total expenditure, £55,210 was unrestricted (2015: £50,974) and £404,168 was restricted (2015: £494,300).

Pesticide Action Network UK
Notes to the Financial Statements
For the Year Ended 31 December 2016

9 Net income / (expenditure) for the year

This is stated after charging / (crediting):	2016	2015
	£	£
Operating lease rentals:		
Property	16,513	14,333
Other equipment	609	355
Auditor's remuneration: audit fees	4,000	4,000
Foreign exchange (gains) / losses	(4,545)	(11)

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

Staff costs were as follows:	2016	2015
	£	£
Salaries and wages	202,956	199,270
Social security costs	18,104	17,774
Employer's contribution to defined contribution pension schemes	4,208	4,622
	<u>225,268</u>	<u>221,666</u>

No employee earned more than £60,000 during the year (2015: nil)

The total employee benefits including pension contributions of the key management personnel were £50,916 (2015: £51,662).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2015: £nil) neither were they reimbursed expenses during the year (2015: £nil). No charity trustee received payment for professional or other services supplied to the charity (2015: £nil).

Staff numbers

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

	2016	2015
	No.	No.
Charitable activities	6	5
Support	1	1
	<u>7</u>	<u>6</u>

11 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 2016

12 Tangible fixed assets

	Furniture, fittings and equipment 2016 £	Total 2016 £
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.

13 Debtors

	2016 £	2015 £
Trade debtors	3,205	1,535
Other debtors	1,000	1,000
Prepayments	563	584
Accrued income	9,482	13,146
	<u>14,250</u>	<u>16,265</u>

14 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	1,673	2,249
Taxation and social security	6,337	-
Other creditors	119	85
Accruals	4,214	8,055
	<u>12,343</u>	<u>10,389</u>

15 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 2016

16 Analysis of net assets between funds

	General £	Restricted £	Total funds £
Tangible fixed assets	-	-	-
Net current assets	51,491	136,394	187,885
Long term liabilities	-	-	-
Net assets at the end of the year	51,491	136,394	187,885

17 Movements in funds

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Restricted funds:					
Reductions of pesticide use in the UK	9,750	88,009	(75,969)	-	21,790
Global initiatives	23,686	75,739	(99,425)	-	-
Sustainable cotton	70,909	216,408	(172,713)	-	114,604
Supply chains & sustainable agriculture	19,015	7,046	(26,061)	-	-
Information provision	30,000	-	(30,000)	-	-
Total restricted funds	153,360	387,202	(404,168)	-	136,394
General funds	25,196	81,505	(55,210)	-	51,491
Total unrestricted funds	25,196	81,505	(55,210)	-	51,491
Total funds	178,556	468,707	(459,378)	-	187,885

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 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 2016

17 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.

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

	2016	2015
	£	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	9,329	14,216
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	1,914	74,865
Increase/ (decrease) in creditors	1,740	(1,501)
Net cash provided by / (used in) operating activities	12,978	87,575

19 Analysis of cash and cash equivalents

	At 1 January 2016	Cash flows	Other changes	At 31 December 2016
	£	£	£	£
Cash at bank and in hand	172,680	13,298	-	185,978
Total cash and cash equivalents	172,680	13,298	-	185,978

20 Operating lease commitments

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

	Property		Equipment	
	2016	2015	2016	2015
	£	£	£	£
Less than 1 year	16,509	16,965	609	609
1 - 5 years	4,279	3,823	812	1,421
	20,788	20,788	1,421	2,030

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.

Pesticide Action Network UK
Notes to the Financial Statements
For the Year Ended 31 December 2016

22 Related party transactions

PAN UK is related to Pesticide Action Network Europe (PAN Europe), which is registered as an Association Sans But Lucrative (ASBL registration number 10079318), based in Rue de la Pépinere 1, 1000 Brussels, Belgium, by virtue of the fact that PAN UK is one of the founding members of PAN Europe has a seat on PAN Europe's Board. 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 or technical support.

In year 2016, PAN UK received no funds for PAN Europe work. PAN UK paid €100.00 which is equivalent to £85.37 to PAN Europe for year 2016 membership fee. There were no amounts outstanding between PAN UK and PAN Europe at 31st December 2016.