

# **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 2018**



**Pesticide Action Network UK**

**Annual Report and financial statements**

**For the year ended 31 December 2018**

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## Pesticide Action Network UK

### Reference and administrative information details of the charity

For the year ended 31 December 2018

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<b>Trustees</b>	Barbara Dinham, Chair Andrew Wallace, Treasurer (resigned 1 May 2018) Lasse Bruun David Goulson Vicki Hird Victoria Johnson Eileen Maybin Christopher Stopes Adam Wakeley Anthony Youdeowei
<b>Company Secretary</b>	Keith Tyrell
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<b>Company registration number</b>	02036915 (England and Wales)
<b>Charity registration number</b>	0327215
<b>Auditors</b>	Goldwins Chartered Accountants 75 Maygrove Road West Hampstead London NW6 2EG
<b>Bankers</b>	Co-operative Bank Plc City Office 80 Cornhill London EC3V 3NJ  National Westminster Bank Plc Brixton Branch 504 Brixton Road London SW9 8EB

# **Pesticide Action Network UK**

## **Trustees' Report**

### **For the year ended 31 December 2018**

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The trustees, who are also directors under company law, present their report and financial statements for the year ended 31 December 2018.

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:**

Undertaking policy work in the areas of agriculture, food and environment, in order to influence government bodies, parliamentarians and other decision-makers to reduce overall pesticide use and eliminate pesticide-related harms in the UK.

Conducting policy analysis, advocacy and public campaigning for stringent UK pesticide regulations post-Brexit, ensuring that the UK does not weaken existing pesticide standards when it leaves the EU and/or as a result of negotiating Free Trade Agreements.

Protecting bees and pollinators, including presenting 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 non-chemical alternatives.



## Trustees' Report

For the year ended 31 December 2018

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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.

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

Influencing retailers 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](http://www.pan-uk.org)), we are active on social media, namely Facebook (/PesticideActionNetworkUK) and Twitter (@pan\_uk). We also publish our bi-monthly journal, Pesticides News, and a number of specific reports. We reach out directly to members of the UK public in order to mobilise them to contact decision-makers at both the national and local levels. 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**

Our work to reduce pesticide-related harms and promote non-chemical alternatives to pesticides in the UK has gone from strength-to-strength in 2018. It has broadly been organised around the following three campaigns:

#### **Brexit campaign**

Our Brexit campaign aims to both protect the UK's existing pesticide standards and take the opportunity to introduce additional measures to reduce pesticide-related harms.

This year, we have stepped up our efforts to build relationships with decision-makers working on a range of pesticide-related issues from farming to trade. We met with key parliamentarians from all of the major political parties as well as civil servants representing all relevant government bodies. We have also kept up the pressure by making written submissions to a variety of government consultations and mobilising MPs to submit parliamentary questions to the government on our behalf. Our work has succeeded in keeping pesticides firmly on the government's agenda.

As a result of our efforts, a central objective of the campaign was met when the UK government made a commitment for European pesticide legislation to be brought over into UK law without any significant changes. This means that, at least in the short term, UK pesticide standards will be maintained.

In terms of using Brexit as an opportunity to introduce additional measures, we were delighted in the first quarter of 2018 when the government's 25 Year Environment Plan and the Health and Harmony Command Paper (the precursor to the Agriculture Bill) both included commitments to reduce pesticide use and increase

## **Trustees' Report**

### **For the year ended 31 December 2018**

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the focus on Integrated Pest Management (IPM).

In order to complement our lobbying work, we have collaborated with other NGOs to mobilise large numbers of UK citizens. Alongside Friends of the Earth and Su006DOfUs, we persuaded 90,000 people to call on the government to introduce a pesticide reduction target and support farmers to adopt IPM approaches. Towards the end of the year, we succeeded in getting an amendment tabled in the Draft Agriculture Bill which would make these demands a reality. It already has cross-party support and we hope it will pass in 2020.

We have continued to build our suite of materials to support the campaign and published a range of briefings aimed at policymakers and other NGOs on key topics from pesticide reduction targets to IPM. We have also continued to create new media content and build relationships with journalists in order to establish PAN UK as the 'go to' organisation on Brexit and pesticides, a strategy that has yielded increased coverage in mainstream press.

#### **Pesticide-Free Towns (PFT) Campaign**

In 2018, prompted by the city-wide council elections in London, we launched a new Pesticide-Free London campaign. This was designed to capitalise on the 2016 decision by Hammersmith & Fulham Council to become the first London borough to ban pesticides. Initial conversations with other London councils indicated that there may be potential to turn a number of other boroughs pesticide-free. This would have a huge impact, both in terms of reducing exposure to pesticides for millions of residents but also as a powerful example to other UK cities that it can be done.

The London campaign, which launched in March, asked candidates standing in the upcoming local elections to pledge to make their borough pesticide-free if elected. In order to encourage candidates to pledge, we set up online and offline actions and mobilised activists all over London to contact the candidates standing in their borough.

The campaign was a huge success. In just three weeks, almost 400 candidates from all major parties, (and covering 30 of London's 32 boroughs) took the Pesticide-Free London Pledge. Of those, 140 were elected and we succeeded in securing allies in two-thirds of London boroughs.

In order to turn these pledges into real change, we held our first Pesticide-Free London workshop in June. The event was well-attended, including representatives of 21 London councils and 11 other major land managers such as Royal Parks. In addition to our work with councils, we also succeeded in including a commitment to 'reduce the use of pesticides' in the London Mayor's Environmental Strategy.

Thanks to all our work in London, in December, Croydon Council decided to ban glyphosate from its parks and green spaces. The decision was driven by councillors who attended our London workshop. Meanwhile, Hackney Council has reduced its glyphosate spraying in public areas by 25% and both Lambeth and Southwark Councils are no longer spraying glyphosate in parks or playgrounds. Richmond Council is currently trialling a range of non-chemical alternatives.

But we did not restrict our work to London, in 2018 we continued to assist both councillors and PFT activists from around the UK in a range of ways including providing materials and advice, and speaking at meetings. Overall, we supported campaigners and decision-makers in more than 40 areas including Seaford, Bristol, Lancashire, Dundee and Edinburgh.



## **Trustees' Report**

**For the year ended 31 December 2018**

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On 10th August, a landmark ruling by a court in the US concluded that a glyphosate based weedkiller was liable for a terminally ill groundskeeper's cancer and ordered the company to pay \$79 million in damages. This decision has led ever more councils and members of the public to contact us to find out how to go pesticide-free. In order to deal with this increased demand, we hired a dedicated PFT Outreach Officer to support local activists working to make their towns or cities pesticide-free and ultimately help them to be part of a movement that is more than the sum of its parts.

### **Bees and other pollinators**

After many years of lobbying and campaigning, in April, the European Commission announced that it would extend – and make permanent – the existing ban on three bee-toxic neonicotinoids. The new restrictions introduced amount to an almost complete ban since the three neonicotinoids in question – clothianidin, imidacloprid and thiamethoxam – are no longer allowed to be used on any crop that is grown outdoors. The only permitted use is for plants that are grown within a permanent greenhouse and spend their entire lifecycle, from germination to harvest, inside. The UK government supported the ban and reaffirmed its commitment to retain it after Brexit.

This is a huge victory. Now that the ban is in place we continue to keep an eye on whether the UK is granting approval for any products containing the similar pesticides sulfoxaflor or flupyradifurone (which are potentially as harmful as neonics).

### ***2. Promoting sustainable cotton***

Globally, cotton covers just 2.4% of the world's cultivated land but uses 6% of the world's pesticides (and 16% of insecticides), more than any other single major crop. These issues often combine to create disastrous economic, health and environmental consequences for many smallholder growers. For over 20 years PAN UK has been working with cotton farmers to help them eliminate pesticides and improve profits as well as working with key organisations in the cotton supply chain to raise awareness of the problems of high use of hazardous pesticides in cotton-growing communities and to promote higher standards of production throughout the textile industry.

### **Benin, West Africa**

**Partners:** L'Organisation Béninoise pour la Promotion de l'Agriculture Biologique (OBEPAB)

**Donors:** Big Lottery Fund and TRAIID

The project in Benin support 3700 organic cotton farmers to increase and diversify their incomes, eradicate ill-health and fatalities caused by highly hazardous and ensure the sustainability of farmer practices so that their land remains productive and is better placed to withstand environmental shocks.

Conventional farmers spend a significant proportion of their income on pesticides and fertilisers. Going organic allows them to significantly reduce input costs. Good crop husbandry and organic techniques can help them to maintain or increase yields. All cotton is sold to the government with a guaranteed organic premium (currently 20%).

The starting point is cotton, but our organic cotton farmers grow an average of 15 different crops. Diverse farming systems are more productive, more resilient to climatic or other shocks and provide better food security to the household. Organic soya bean production has been a particular success in the last year. A partnership has been established with the Africa Green Corporation (AGC), which specialises in organic agricultural produce. Over the last season, 308 farmers produced over 1,000 tonnes of organic soya beans, all of which

### Trustees' Report

#### For the year ended 31 December 2018

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had a guaranteed market. 981 organic farmers are producing organic soy this year with a guaranteed market from the AGC.

OBEPAB has been phenomenally successful in encouraging women to participate in its programme and to take on roles of responsibility in the cotton cooperatives. We are also working to improve opportunities for rural women by addressing other crops and potential enterprises. A great example is organic shea butter. Shea trees are grown in the cotton fields. The fruits provide a food source and the seed (shea nuts) can be turned into a moisturising skin cream (shea butter) with minimal processing.

'Muya' means 'endurance' and this is the name the women in Bepro have given to their women's group, formed as part of the organic cotton cooperative in the village near the northern town of Kandi. These women, along with another group in the village of Boro, have benefitted from new shea processing equipment, supported by the Big Lottery Fund and TRAIID. The equipment is much more efficient than the traditional system, allowing the women to process larger quantities of shea nuts and to produce a better quality, organic product. The Muya group now process 10t per year compared to 2t per year before they received the equipment. Their products are in high demand in local markets and they are exploring opportunities to secure a higher organic premium in neighbouring Burkina Faso

#### **Ethiopia**

**Partners:** PAN Ethiopia

**Donor:** TRAIID

TRAIID has supported PAN to deliver high quality, participatory training to smallholder cotton producers in Ethiopia since 2012. Project activities closely respond to the needs and priorities of these producers and their families. Having proven a very successful training model, the project is currently expanding to new villages. So far, over 3,700 cotton farmers have been trained in organic crop husbandry and pest management techniques that enable them to achieve a much higher net income without risking their health and environment with hazardous pesticides. Yields in 2018 were low across the region due to a poor growing season, nevertheless, trained farmers obtained yields 16-75% higher than untrained farmers. Plots under organic practices delivered up to 55% increased income, compared with conventional practice. PAN Ethiopia secured a new sales deal with an Addis-based textile company, with 15% of the co-op's 2018 cotton sold to them at very good price. The company is offering a promising commitment to purchase future cotton production at a premium price. A Cotton IPM Toolkit was completed with an illustrated guide to pests and beneficial insects in cotton published and guidance for Farmer Field School facilitators and videos produced. PAN Ethiopia is disseminating 2,000 copies of the guide in Amharic via Farmer Training Centres.

Increased women's participation in farmer training was achieved, including 51% of Lead Farmers in 2018 training groups, and support provided for over 100 members of women's spinning associations set up in four villages.

### **3. Supporting global initiatives**

For many years, we have worked to raise awareness of the problems of pesticide use around the world and to support global initiatives and organisations that work to address them. This has included conducting practical work on the ground to collect data to help policy-makers effectively target policy, and shaping international agreements like the Chemical conventions and the FAO Code of Conduct through advocacy.

In 2018, we worked with a number of international organisations including the UN Food and Agriculture Organisation (FAO) and the UN Environment Programme (UNEP) to help improve international pesticide management.



## **Trustees' Report**

**For the year ended 31 December 2018**

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### **Caribbean**

**Partners: Pesticides Regulatory Authorities in participating countries**

**Donor: UN FAO**

Agriculture contributes less than in the past to economies in the Caribbean, but it is still an important sector in terms of food security and employment. In recent years, governments have focused on food security, especially since the 2008 food crisis which caused massive spikes in costs in countries that had grown to depend on food imports. New agriculture initiatives have increased agricultural production, particularly in short-term crops for local consumption and regional markets (vegetables, root crops, fruits etc.) where indiscriminate use of pesticides is widespread, and has led to an increase in the demand for pesticides. Annual imports of pesticides into the region are estimated at approximately 10,000 tonnes.

Toxic chemicals and waste present particular acute challenges for human health as well as the fragile and unique ecosystems in the Caribbean. In 2010, coastal sediments in Martinique and Guadeloupe with high levels of chlordecone (a persistent pesticide used for 30 years in banana production) were linked to a spike in prostate cancer in the island. The contamination cannot be removed and will affect communities indefinitely. Pollution has also negatively affected marine environments by smothering coral reefs, killing fish and reducing the recreational value of beaches.

In 2018, we worked with FAO to support national authorities in Antigua and Barbuda and Suriname to undertake surveys and analyse data to work out the types and quantities of empty pesticide containers being generated. As part of this work, we developed awareness raising resources and a 'survey toolkit' to build local capacity in the region to survey pesticide containers. We also collected information on the use of HHPs in the region and supported national authorities to identify priorities and come up with concrete steps for reducing their use.

### **Gabon, Ethiopia, Kenya, Madagascar, Mali, Senegal, Tanzania, Zambia, Zimbabwe**

**Partners: Pure Earth**

**Donor: UNEP/ World Health Organization**

PAN-UK is working with the US NGO Pure Earth on this initiative set up by UNEP and the World Health Organization to help African governments collect data on chemical use and impacts. Working with the Ministries of Health and Environment in nine African countries we are developing practical guidance to help governments set up an integrated health and environment observatory surveillance and information management system. A severe lack of information on the sources and impacts of chemical pollution has meant that many policy-makers are either unaware of the scale of the problems or are unable to target interventions effectively. The new system will enable African countries to establish evidence based policies and make sustainable decisions on the management of chemicals – including pesticides – and related disease burdens. It addresses in particular, the necessary improvements to be made in the fields of awareness, knowledge, information management and communication on chemicals to provide policy makers with hard and reliable information on the impacts of chemical use in their countries so that actions to be taken to tackle pollution.

### **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 agroecological principles are two 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 2018 we continued to engage with supermarkets and, in particular, sustainability standards to urge them to target Highly Hazardous Pesticides (HHPs) in their supply chains and to support farmers to switch to agro-

## Trustees' Report

### For the year ended 31 December 2018

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ecological alternatives. In particular, we provided advice to a number of sustainability standards including the Better Cotton Initiative, Utz and the Forest Stewardship Council. This work included a project to develop training resources on IPM and pesticide toxicity for field staff and researching alternatives to monocotphos use in the Indian cotton sector.

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. To this end, we have worked on practical projects that test and refine effective agroecological approaches that will allow farmers to switch away from HHPs including:-

#### **Ethiopia - IPM vegetable production near Lake Ziway**

**Partner: PAN Ethiopia**

**Donor: IDH and the JJ Charitable Trust**

Excessive use of hazardous pesticides on vegetable crops grown in the Ziway area threatens the health of farmers and consumers and contaminates the environment. This three-year project aims to improve pest and disease management and reduce use of harmful pesticides by smallholder farmers via:

- Testing innovative approaches to vegetable Integrated Pest Management, including the food spray method<sup>1</sup> to attract predatory insects into fields to feed on pests.
- Providing high quality, hands-on farmer training, based on the Farmer Field School methodology, to help smallholders develop the skills, knowledge and confidence to adopt safer and more sustainable IPM techniques.
- Raising awareness and promoting wider adoption of ecologically sound IPM approaches, working closely with local extension services, Ziway Plant Health Clinic, research institutes and farmer associations.

In 2018, the first year of the project, with support from long-term collaborator, Dr Robert Mensah, we trialled the food spray method in tomato and onion, a global first for testing the method in crops other than cotton. Preliminary results suggest that the method worked quite well to increase numbers of natural enemies and deliver acceptable control of pests, with zero applications of insecticide, compared with farmer practice of at least 10 insecticide sprays. However, getting good yields and profits from smallholder vegetable production is challenging in this area, with poor soils, high disease levels and markets dominated by large farmers and investors. The onion trial yielded better income than smallholder current practice but tomato yields were disappointing. Nevertheless, farmers in the first FFS group of 30 are keen to try out food spray and other non-chemical methods in the next season. As the project progresses, we plan to work with local farmers to improve and refine approaches and, in particular, address poor farming practices that lead high levels of disease.

#### **5. Providing Information**

Providing information is a crucial area of our work. This involves both raising awareness about the harms caused by pesticides, and promoting approaches that address these harms. We have continued to expand and develop our website in order to provide an important resource for our audiences. This includes the creation

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<sup>1</sup> A yeast and sugar-based food spray, made using cheap and locally available ingredients, enhancing populations of beneficial insects to keep pests under control.



## **Trustees' Report**

### **For the year ended 31 December 2018**

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of a range of informational pages on the issues associated with pesticide use as well as a range of technical papers on tried and tested alternatives. In addition, we publish regular blog posts on topical subjects and a wide range of experts have contributed articles on relevant issues over the year. This has been well received online and in 2018 we increased our number of web users in by 216% compared to 2017 and 941% compared to 2016. We have also increased the number of pages our visitors look at by 149% compared to 2017 and 1,065% compared to 2016.

We have increase our use of multi-media to ensure our website and social media channels are interesting, easy to understand and informative. This has included an increase in the use of images and the introduction of infographics and video as part of our online content. Our reach on Facebook has increased by 43% in the last year with an engagement rate of 6.9% (an engagement rate of 4.6% is the average in our sector). Both our Twitter and Instagram accounts have also continued to grow, with our Twitter account being an important source of current news – both ours and that in the general media.

PAN UK is well established with the UK media and we have worked hard to provide pesticide expertise for a number of the country's major newspapers and broadcast outlets. We have been mentioned in many articles and have made a number of appearances on TV and radio, especially with regards to our Pesticide-Free London campaign in April/May and the Monsanto court case hearing in August.

We published five issues of our Pesticide News newsletter in 2018. These included articles from many experts in the field, as well as an exclusive insider's perspective on the Monsanto court case by Robert F. Kennedy, Jr.

In addition, we have written and collaborated on a number of important papers, including briefings on Integrated Pest Management, Brexit and pesticides, a glyphosate myth buster – which has been accessed over 1,000 times – and a publication on the hidden rise of UK pesticide use. We published this last document specifically to counter misleading claims by the pro-pesticide lobby that UK pesticide use has halved since the 1990s, in fact, our analysis of the data showed that pesticide use has grown dramatically in recent years.

## **Financial review**

The charity's income for the year was £730,009 slightly up on the previous year. However, total expenditure was £733,639, generating a deficit for the year of £3,632. Our surplus on unrestricted funds was £5,015 and the deficit on restricted fund is £8,645. The restricted funds have changed from surplus of 44,041 in 2017 to deficit of £8,645. Our resulting general fund at the year-end after considering the brought forward fund balance was £89,808 and the restricted fund is £171,790. 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 £122,068 and £183,102. At 31 December 2018, unrestricted reserves of £89,808 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.

## **Trustees' Report**

**For the year ended 31 December 2018**

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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 2019 and 2020 – 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 and political 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 2019.

#### **1. Reducing pesticide use in the UK**

Brexit will continue to 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 will also work to ensure that environmental and safety protections are not negotiated away as part of post-Brexit trading agreements. As in previous years, protecting bees and other pollinators from pesticides will remain a priority. We will keep up the pressure on the UK government to ensure that their commitment to incorporate the European ban on neonicotinoids is brought into UK law post-Brexit. In addition, we will keep an eye out to ensure that UK licenses aren't being granted for alternative chemicals that are equally toxic. We will continue to play a key role on both the government's National Pollinator Strategy Advisory Group and British Bee Coalition.



## **Trustees' Report**

### **For the year ended 31 December 2018**

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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.

#### **2. 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.

#### **3. Supporting global initiatives**

We will continue to collect robust evidence of the harm caused by pesticide use and use the evidence generated by our projects to promote safe, effective agro-ecological approaches at local and international policy levels. We will 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) and the World Health Organization (WHO) in order to promote and disseminate our work.

#### **4. Advising food supply chains & promoting sustainable agriculture**

We will build on the strong relationships we have built with leading sustainability standards including Better Cotton Initiative, Global Coffee Platform, Fairtrade, Forest Stewardship Council, Rainforest Alliance and others. 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 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. We will continue to support practical projects on the ground that test and improve approaches that help reduce farmers' reliance on pesticides.

In 2019, thanks to a grant from the Esmée Fairbairn Foundation, we will launch a focused campaign to encourage UK supermarkets to address the use of hazardous pesticides in their supply chains.

#### **5. Providing information**

We will continue to expand our communications activities to reach more audiences and to tell our stories more effectively. In particular, we will continue to grow our online presence and improve our website, ensuring to maximise opportunities for members of the public to take campaigning actions and donate to PAN UK.

### **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 nine trustees as at 31 December 2018 (the maximum number is 12). The names of the

## **Trustees' Report**

### **For the year ended 31 December 2018**

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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 2018.

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.

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' Report

**For the year ended 31 December 2018**

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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 South East England.

### 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.

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, and the Better Cotton Initiative.

### Statement of responsibilities of the trustees

The trustees (who are also directors of Pesticide Action Network UK for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the

**Trustees' Report**

**For the year ended 31 December 2018**

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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.

In so far as the trustees are aware:

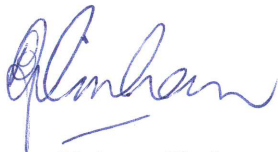
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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.

**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 24 July 2019 and signed on their behalf by;



**Barbara Dinham, Chair**



# **Pesticide Action Network UK**

## **Independent Auditors' Report**

### **To the members of Pesticide Action Network UK**

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#### **Opinion**

We have audited the financial statements of Pesticide Action Network UK (the 'Charity') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Independent Auditors' Report**

**To the members of Pesticide Action Network UK**

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**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which 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 obtained all the information and explanations necessary for the purposes of our audit.

**Responsibilities of the trustees**

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)]. This description forms part of our auditor's report.

## **Pesticide Action Network UK**

### **Independent Auditors' Report**

#### **To the members of Pesticide Action Network UK**

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##### **Use of our report**

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's members as a body, for our audit work, for this report, or for the opinions we have formed.

*A 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**

*8 August 2019*



**Pesticide Action Network UK**

**STATEMENT OF FINANCIAL ACTIVITIES (incorporating an income and expenditure account)**

**For the year ended 31 December 2018**

		2018	2018	2018	2017
		Unrestricted	Restricted	Total funds	Total
	Notes	£	£	£	funds
					£
<b>Income from:</b>					
Donations	3	27,191	-	27,191	24,666
Charitable activities:					
Reducing pesticide use in the UK	4	-	138,782	138,782	133,853
Global initiatives	4	-	191,755	191,755	51,673
Sustainable cotton	4	-	192,707	192,707	253,986
Supply chains & sustainable agriculture	4	20,853	109,548	130,401	58,405
Information provision	4	-	47,430	47,430	30,000
Other trading activities	5	587	-	587	592
Investment income	6	1,156	-	1,156	3
<b>Total Income</b>		<b>49,787</b>	<b>680,222</b>	<b>730,009</b>	<b>553,178</b>
<b>Expenditure on:</b>					
Raising funds	7	9	-	9	481
Charitable activities:					
Reducing pesticide use in the UK	7	166	122,420	122,586	144,165
Global initiatives	7	5,358	143,609	148,967	54,687
Sustainable cotton	7	14,297	256,579	270,876	224,444
Supply chains & sustainable agriculture	7	24,942	123,383	148,325	21,705
Information provision	7	-	42,876	42,876	30,353
<b>Total expenditure</b>		<b>44,772</b>	<b>688,867</b>	<b>733,639</b>	<b>475,835</b>
Net income / (expenditure)	8	5,015	(8,645)	(3,630)	77,343
<b>Net movement in funds</b>		<b>5,015</b>	<b>(8,645)</b>	<b>(3,630)</b>	<b>77,343</b>
Total funds brought forward		84,793	180,435	265,228	187,885
<b>Total funds carried forward</b>	<b>16</b>	<b>89,808</b>	<b>171,790</b>	<b>261,598</b>	<b>265,228</b>

All of the above results are derived from continuing activities.

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

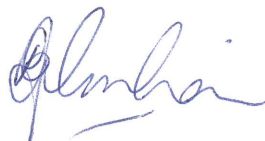
The attached notes form part of these financial statements.

**Pesticide Action Network UK**  
**BALANCE SHEET**  
**As at 31 December 2018**

	Notes	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	11	-	-
<b>Current assets</b>			
Debtors	12	52,901	46,601
Cash at bank and in hand	18	213,796	223,488
		<u>266,697</u>	<u>270,089</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(5,099)</u>	<u>(4,861)</u>
<b>Net current assets</b>		261,598	265,228
<b>Net assets</b>		<u>261,598</u>	<u>265,228</u>
<b>Represented by:</b>			
Restricted funds	16	171,790	180,435
Unrestricted funds			
- General fund	16	89,808	84,793
<b>Total funds</b>		<u>261,598</u>	<u>265,228</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 24 July 2019 and signed on their behalf by



Barbara Dinham, Chair

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**Pesticide Action Network UK****Statement of cash flows****For the year ended 31 December 2018**

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	Note	2018 £	2018 £	2017 £	2017 £
Net cash provided by / (used in) operating activities	17		(10,848)		37,507
Cash flows from investing activities:					
Interest/ rent/ dividends from investments		1,156		3	
		<hr/>		<hr/>	
Cash provided by / (used in) investing activities			1,156		3
			<hr/>		<hr/>
Change in cash and cash equivalents in the year			(9,692)		37,510
Cash and cash equivalents at the beginning of the year			223,488		185,978
Change in cash and cash equivalents due to exchange rate movements			-		-
			<hr/>		<hr/>
Cash and cash equivalents at the end of the year	18		213,796		223,488
			<hr/> <hr/>		<hr/> <hr/>



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## **Pesticide Action Network UK**

### **Notes to the financial statements**

**For the year ended 31 December 2018**

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#### **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.

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy 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. Key judgements that the charitable company has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments. 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.

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## **Pesticide Action Network UK**

### **Notes to the financial statements**

**For the year ended 31 December 2018**

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#### **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 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.

#### **j) Operating leases**

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

#### **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%

#### **k) 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.

#### **l) 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.

#### **m) 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.

#### **n) 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.

#### **o) 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 2018**

**2 Detailed comparatives for the statement of financial activities**

	2017 Unrestricted £	2017 Restricted £	2017 Total £
<b>Income from:</b>			
Donations	24,666	-	24,666
Charitable activities:			
Reductions of pesticide use in the UK	-	133,853	133,853
Global initiatives	-	51,673	51,673
Sustainable cotton	-	253,986	253,986
Supply chains and sustainable agriculture	38,558	19,847	58,405
Information provision	-	30,000	30,000
Other trading activities	592	-	592
Investment income	3	-	3
<b>Total income</b>	<b>63,819</b>	<b>489,359</b>	<b>553,178</b>
<b>Expenditure on:</b>			
Raising Funds	481	-	481
Charitable activities:			
Reductions of pesticide use in the UK	11,186	132,979	144,165
Global initiatives	3,014	51,673	54,687
Sustainable cotton	12,366	212,078	224,444
Supply chains & sustainable agriculture	3,117	18,588	21,705
Information provision	353	30,000	30,353
<b>Total expenditure</b>	<b>30,517</b>	<b>445,318</b>	<b>475,835</b>
<b>Net movement in funds</b>	<b>33,302</b>	<b>44,041</b>	<b>77,343</b>
Total funds brought forward	51,491	136,394	187,885
<b>Total funds carried forward</b>	<b>84,793</b>	<b>180,435</b>	<b>265,228</b>

**3 Income from donations**

	2018 Unrestricted £	2018 Restricted £	2018 Total £	2017 Total £
Gifts				
- John & Susan Bowers Foundation	900	-	900	700
- Anber Fund via LCVS	-	-	-	2,000
- The Cuthbert Horn Trust	4,000	-	4,000	4,000
- Croadace Homes Ltd	10,000	-	10,000	7,500
- 1970 Trust	-	-	-	1,500
- Taurus Foundation	5,000	-	5,000	-
Other gifts	7,291	-	7,291	8,966
	<b>27,191</b>	<b>-</b>	<b>27,191</b>	<b>24,666</b>



**Pesticide Action Network UK**

**Notes to the financial statements**

**For the year ended 31 December 2018**

**4 Income from charitable activities**

			2018	2017
	Unrestricted	Restricted	Total	Total
	£	£	£	£
<b>Reducing pesticide use in the UK</b>				
C S Fund via PAN North America	-	10,712	10,712	10,752
Chapman Charitable Trust	-	20,000	20,000	20,000
Tolkien Trust	-	52,570	52,570	35,000
M&M Constantine- Lush for BREXIT Project	-	-	-	12,500
Taurus Foundation for Pesticide Free Towns	-	-	-	5,000
Tides Foundation-Patagonia Inc Grant 4 Pesticide Free Towns	-	-	-	3,038
Zephyr Charitable Trust	-	55,500	55,500	47,563
<b>Total reducing pesticide use in the UK</b>	-	<b>138,782</b>	<b>138,782</b>	<b>133,853</b>
<b>Global initiatives</b>				
FAO - SHPF Toolkit	-	-	-	51,673
FAO -Caribbean Container Management	-	43,036	43,036	-
UNEP- MTR4-GMP2-Stockholm Conv. Monitoring Project	-	92,283	92,283	-
UNEP Fund- CHEMOBS 2018 Project Income	-	56,436	56,436	-
<b>Total for global Initiatives</b>	-	<b>191,755</b>	<b>191,755</b>	<b>51,673</b>
<b>Sustainable cotton</b>				
TRAID	-	78,588	78,588	77,321
Big Lottery Fund	-	114,119	114,119	154,000
C & A Foundation for Cotton Project	-	-	-	22,665
<b>Total for sustainable cotton</b>	-	<b>192,707</b>	<b>192,707</b>	<b>253,986</b>
<b>Supply chains and sustainable agriculture</b>				
Marisla fund via PAN North America	-	2,152	2,152	4,090
SAICM via IRET	-	5,870	5,870	9,757
Polden Puckham Charitable Trust	-	6,000	6,000	6,000
IDH- Ziway- Ethiopia IPM FoodSpray on Vegetable	-	55,526	55,526	-
JJ Trust- Ziway- Ethiopia IPM FoodSpray on Vegetable	-	40,000	40,000	-
Consultancy	20,853	-	20,853	38,558
<b>Total supply chains/sustainable agriculture</b>	<b>20,853</b>	<b>109,548</b>	<b>130,401</b>	<b>58,405</b>
<b>Information Provision</b>				
Tolkien Trust	-	47,430	47,430	30,000
<b>Total for information provision</b>	-	<b>47,430</b>	<b>47,430</b>	<b>30,000</b>
<b>Total income from charitable activities</b>	<b>20,853</b>	<b>680,222</b>	<b>701,075</b>	<b>527,917</b>

**5 Income from other trading activities**

			2018	2017
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Publication sales and subscriptions	25	-	25	95
Other trading activities	562	-	562	497
	<b>587</b>	<b>-</b>	<b>587</b>	<b>592</b>

6 Income from investments

	Unrestricted	Restricted	2018 Total	2017 Total
	£	£	£	£
Bank interest	2	-	2	3
Foreign exchange gain	1,154	-	1,154	-
	<b>1,156</b>	<b>-</b>	<b>1,156</b>	<b>3</b>

**Pesticide Action Network UK**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**7 Analysis of expenditure**

		Charitable activities							2018 Total £	2017 Total £	
		Basis of allocation	Cost of raising funds £	Reductions in pesticide use UK £	Global Initiative s £	Sustainable cotton £	Supply chains & sustainable agriculture £	Information provision £			Support costs £
Staff costs	Direct	-	102,116	94,060	49,163	37,126	29,455	26,684	-	338,604	259,060
Direct costs	Direct	9	6,398	41,115	202,164	97,466	6,641	-	-	353,793	177,112
Support costs - Rent	Direct	-	-	-	-	-	-	18,141	-	18,141	17,277
Support costs - Other	Direct	-	-	-	-	-	-	19,101	-	19,101	18,386
Governance costs	Direct	-	-	-	-	-	-	-	4,000	4,000	4,000
		9	108,514	135,175	251,327	134,592	36,096	63,926	4,000	733,639	475,835
Support costs	% expenditure	-	13,420	12,980	18,039	12,924	6,563	(63,926)	-	-	-
	% expenditure	-	652	812	1,510	809	217	-	(4,000)	-	-
		9	122,586	148,967	270,876	148,325	42,876	-	-	733,639	475,835
Total Expenditure 2017		481	144,165	54,687	224,444	21,705	30,353	-	-	475,835	

Of the total expenditure, £44,772 was unrestricted (2017: £30,517) and £688,867 was restricted (2017: £445,318).



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**Pesticide Action Network UK****Notes to the financial statements****For the year ended 31 December 2018**

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**8 Net income / (expenditure) for the year**

This is stated after charging / (crediting):	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Operating lease rentals:		
Property	18,141	17,277
Other equipment	431	780
Auditor's remuneration: audit fees	4,000	4,000
Foreign exchange (gains) / losses	1,154	(4,218)

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

Staff costs were as follows:	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Salaries and wages	299,436	231,496
Social security costs	28,149	23,612
Employer's contribution to defined contribution pension schemes	11,014	7,353
	<b>338,599</b>	<b>262,461</b>

No employee earned more than £60,000 during the year (2018: nil)

The total employee benefits including pension contributions of the key management personnel were £55,456 (2017: £53,642).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2018: £nil) neither were they reimbursed expenses during the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

**Staff numbers**

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

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
Charitable activities	7	6
Support	2	1
	<b>9</b>	<b>7</b>

**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 2018**

**11 Tangible fixed assets**

	<b>Furniture, fittings and equipment</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
At the start of the year	5,021	5,021
Additions in year	-	-
Disposals in year	-	-
At the end of the year	<b>5,021</b>	<b>5,021</b>
<b>Depreciation</b>		
At the start of the year	5,021	5,021
Charge for the year	-	-
Eliminated on disposal	-	-
At the end of the year	<b>5,021</b>	<b>5,021</b>
<b>Net book value</b>		
<b>At the end of the year</b>	<b>-</b>	<b>-</b>
At the start of the year	<b>-</b>	<b>-</b>

All of the above assets are used for charitable purposes.

**12 Debtors**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade debtors	-	11,585
Other debtors	1,127	1,126
Prepayments	992	363
Accrued income	50,782	33,527
	<b>52,901</b>	<b>46,601</b>

**13 Creditors: amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	1,000	690
Other creditors	51	-
Accruals	4,048	4,171
	<b>5,099</b>	<b>4,861</b>

**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 1%. 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 2018

#### 15 Analysis of net assets between funds

	General £	Restricted £	Total funds £
Tangible fixed assets	-	-	-
Net current assets	89,808	171,790	261,598
Long term liabilities	-	-	-
<b>Net assets at the end of the year</b>	<b>89,808</b>	<b>171,790</b>	<b>261,598</b>

#### 16 Movements in funds

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
<b>Restricted funds:</b>					
Reductions of pesticide use in the UK	22,664	138,782	122,420	-	39,026
Global initiatives	-	191,755	143,609	-	48,146
Sustainable cotton	156,512	192,707	256,579	-	92,640
Supply chains & sustainable agriculture	1,259	109,548	123,383	-	(12,576)
Information provision	-	47,430	42,876	-	4,554
<b>Total restricted funds</b>	<b>180,435</b>	<b>680,222</b>	<b>688,867</b>	<b>-</b>	<b>171,790</b>
<b>General funds</b>	<b>84,793</b>	<b>49,787</b>	<b>44,772</b>	<b>-</b>	<b>89,808</b>
<b>Total unrestricted funds</b>	<b>84,793</b>	<b>49,787</b>	<b>44,772</b>	<b>-</b>	<b>89,808</b>
<b>Total funds</b>	<b>265,228</b>	<b>730,009</b>	<b>733,639</b>	<b>-</b>	<b>261,598</b>

#### 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.



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## Pesticide Action Network UK

### Notes to the financial statements

For the year ended 31 December 2018

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#### 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 work raises awareness about the harms caused by pesticides. It is done in various 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

	2018 £	2017 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(3,630)	77,343
Interest, rent and dividends from investments	(1,156)	(3)
(Increase)/ decrease in debtors	(6,300)	(32,351)
Increase/ (decrease) in creditors	238	(7,482)
Net cash provided by / (used in) operating activities	<u>(10,848)</u>	<u>37,507</u>

### 18 Analysis of cash and cash equivalents

	At 1 January 2018 £	Cash flows £	Other changes £	At 31 December 2018 £
Cash at bank and in hand	223,488 -	9,692	-	213,796
<b>Total cash and cash equivalents</b>	<b>223,488 -</b>	<b>9,692</b>	<b>-</b>	<b>213,796</b>

### 19 Operating lease commitments

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

	Property		Equipment	
	2018 £	2017 £	2018 £	2017 £
Less than 1 year	18,141	17,277	457	609
1 - 5 years	4,652	-	25	203
	<u>22,793</u>	<u>17,277</u>	<u>482</u>	<u>812</u>

### 20 Contingent assets or liabilities

There are no contingent assets or liabilities existing.

### 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.

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**Pesticide Action Network UK****Notes to the financial statements****For the year ended 31 December 2018**

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**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 currently seats 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 support and technical support.

In 2018, PAN UK received £6,000 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 2018.

# Pesticide Action Network UK

## Notes to the financial statements

For the year ended 31 December 2018

### 23 Previous reporting period information

#### 23a Analysis of expenditure of previous reporting period

Analysis of expenditure on previous reporting period											
		Charitable activities									
Basis of allocation	Cost of raising funds £	Reductions in pesticide use UK £		Global Initiatives £	Sustainable cotton £	Supply chains & sustainable agriculture £	Information provision £	Support costs £	Governance costs £	2017 Total £	2016 Total £
Staff costs	Direct	-	99,176	33,011	67,930	25,822	24,936	8,185	-	259,060	225,268
Direct costs	Direct	433	12,503	16,178	133,944	13,491	563	-	-	177,112	200,837
Support costs - Rent	Direct	-	-	-	-	-	-	17,277	-	17,277	16,513
Support costs - Other	Direct	-	-	-	-	-	-	18,386	-	18,386	12,760
Governance costs	Direct	-	-	-	-	-	-	-	4,000	4,000	4,000
		433	111,679	49,189	201,874	39,313	25,499	43,848	4,000	475,835	459,378
Support co % expenditure		44	31,442	5,038	20,683	(17,975)	4,616	(43,848)	-	-	-
% expenditure		4	1,044	460	1,887	367	238	-	(4,000)	-	-
		481	144,165	54,687	224,444	21,705	30,353	-	-	475,835	459,378
		274	76,438	111,073	186,717	54,876	30,000	-	-	459,378	

Of the total expenditure, £30,517 was unrestricted (2016: £55,210) and £445,318 was restricted (2016: £404,168).



# Pesticide Action Network UK

## Notes to the financial statements

For the year ended 31 December 2018

### 23b Analysis of net assets between funds of previous reporting period

	General £	Restricted £	Total funds £
Tangible fixed assets	-	-	-
Net current assets	84,793	180,435	265,228
Long term liabilities	-	-	-
Defined benefit pension asset / (liability)	-	-	-
<b>Net assets at the end of the year</b>	<b>84,793</b>	<b>180,435</b>	<b>265,228</b>

### 23c Details of movements in funds during the previous reporting period

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
<b>Restricted funds:</b>					
Reductions of pesticide use in the UK	21,790	133,853	132,979	-	22,664
Global initiatives	-	51,673	51,673	-	-
Sustainable cotton	114,604	253,986	212,078	-	156,512
Supply chains & sustainable agriculture	-	19,847	18,588	-	1,259
Information provision	-	30,000	30,000	-	-
<b>Total restricted funds</b>	<b>136,394</b>	<b>489,359</b>	<b>445,318</b>	<b>-</b>	<b>180,435</b>
<b>General funds</b>	<b>51,491</b>	<b>63,819</b>	<b>30,517</b>	<b>-</b>	<b>84,793</b>
<b>Total unrestricted funds</b>	<b>51,491</b>	<b>63,819</b>	<b>30,517</b>	<b>-</b>	<b>84,793</b>
<b>Total funds</b>	<b>187,885</b>	<b>553,178</b>	<b>475,835</b>	<b>-</b>	<b>265,228</b>

