

# **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 2019**



---

**Pesticide Action Network UK**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 31 December 2019**

---

**Contents**

	<b>Page</b>
<b>Reference and administrative information</b>	<b>1</b>
<b>Trustees' annual report</b>	<b>2</b>
<b>Independent auditors' report</b>	<b>21</b>
<b>Statement of financial activities</b> <i>(incorporating an income and expenditure account)</i>	<b>24</b>
<b>Balance sheet</b>	<b>25</b>
<b>Statement of cash flows</b>	<b>26</b>
<b>Notes to the financial statements</b>	<b>27</b>

---

**Pesticide Action Network UK**  
**REFERENCE AND ADMINISTRATIVE DETAILS**  
**For the year ended 31 December 2019**

---

<b>Trustees</b>	Barbara Dinham, Chair Lasse Bruun David Goulson Vicki Hird Victoria Johnson Eileen Maybin (resigned 28 May 2019) Christopher Stopes Adam Wakeley Anthony Youdeowei
<b>Company Secretary</b>	Keith Tyrell
<b>Registered office</b>	Brighthelm Centre North Road Brighton BN1 1YD
<b>Telephone</b>	01273 964230
<b>Website</b>	<a href="http://www.pan-uk.org">www.pan-uk.org</a>
<b>E-mail</b>	<a href="mailto:admin@pan-uk.org">admin@pan-uk.org</a>
<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 2019**

---

The Trustees, who are also directors under company law, present their report and financial statements for the year ended 31 December 2019.

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 encourage government bodies, parliamentarians and other decision-makers to increase support to British farmers to help them to reduce their use of pesticides and the associated 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 Trade Agreements.

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.

Public campaigning and direct advocacy work to strength the pesticide policies of UK supermarkets in order to reduce pesticide-related harms linked to their global supply chains, increase their support to suppliers to adopt non-chemical alternatives and end their sale of pesticide products

#### **b) With an international focus:**

Supporting cotton farmers in Africa to adopt organic production, to diversify their income and to access lucrative markets for their produce.

Developing innovative, agroecological methods of vegetable production with growers in Africa

Building the capacity of pesticide regulators and other government agencies to manage pesticides more effectively and mitigate negative impacts on their populations and their environments.

Influencing retailers and sustainability standards to ensure that the most hazardous pesticides are phased out, and that they help farmers to identify and adopt safe and effective alternatives to chemical pesticides.

Engaging with UN agencies and global instruments to advocate for safer and more sustainable agricultural production without hazardous pesticides

Providing tools and training to improve the monitoring of the negative impacts of pesticides and promote evidence-based pesticides policy.

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), Instagram (@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***

In 2019, our work to reduce pesticide-related harms and promote non-chemical alternatives was 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. Although the campaign did continue to make progress in 2019, it was a challenging year due to political gridlock at the national level which delayed the majority of relevant policy and legislative processes.

We continued expanding our alliances with key decision-makers and have succeeded in establishing an excellent political network which includes top civil servants, parliamentarians and government officials. This has placed us in a strong position to influence the many pesticide-related policy and legislative opportunities associated to EU exit. In 2019, we fed into a number of such processes both via written submissions and more informal lobbying meetings. These included the design of the new Environmental Land Management Scheme which we influenced to make sure farmers receive financial support for reducing their pesticide use, the Agriculture and Environment Bills, pesticide-related Statutory Instruments, and the Government's new plans for monitoring the environmental impact of pesticides.

Given the scale of the threats and opportunities presented by Brexit, we continue to prioritise coalition work as a key element of our strategy. Driven by both our efforts and external reports naming pesticides as a key driver of the global biodiversity crisis, larger NGOs are increasing the time and funds they dedicate to pesticides. In the past year, a growing number of UK NGOs (with a combined membership of over 1.5 million people) have adopted one or all of PAN UK's key Brexit recommendations. In April, we led a mass resignation of civil society from government and industry pesticide forums which we considered little more than greenwash. We persuaded RSPB and Wildlife and Countryside Link – England's largest environment coalition representing 50 organisations which together garner the support of eight million people – to resign alongside us, thereby exposing these bodies as industry proponents and undermining the advice they give to Government.

We have continued to build our suite of materials to support the campaign and produced a range of briefings aimed at policymakers and other NGOs on key topics. We also published joint reports with the Food Research Collaboration at City University and the Soil Association.

We have taken advantage of a number of high-profile media opportunities to get the key messages of our Brexit campaign out to a wider audience. We appeared on BBC Countryfile and BBC Horizon (combined audience 6.3 million) to talk about rising pesticide use in agriculture. Other coverage of the Brexit campaign has included: the Telegraph, the Guardian and a number of BBC radio programmes such as Farming Today.

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

2019 was a great year for the PFT campaign with results pouring in from all over the UK. The campaign adopted some new ways of working which have increased our effectiveness. This has included devising our new three-year 'phase out plan' which has already been adopted by many councils.

Building on the momentum created by the Pesticide-Free London campaign in 2018, we stepped our work in the capital with much success. We made progress with roughly half of the capital's 32 local councils. For example, Hackney has halved the amount of pesticides it uses across the borough and has been trialling a completely pesticide-free zone in an area which encompasses streets, housing estates and green spaces.

---

**Pesticide Action Network UK**  
**TRUSTEES' REPORT**  
**For the year ended 31 December 2019**

---

With our advice, the trial is going well and has been covered widely by local media. Croydon, Southwark and Lambeth Councils have all banned pesticides from their parks and green spaces. Thanks to our work, the City Of London has greatly reduced its pesticide use, including stopping the use of herbicides on all highways and pavements.

The work in London took a big leap forward in July when we worked with Green and Labour members of the Greater London Assembly (GLA) to pass a unanimous Motion calling on the Mayor of London to initiate a plan to end the use of the herbicide glyphosate on the GLA Estate (which includes land managed by Transport for London, the Mayor's Office for Policing and Crime, and the London Fire Commissioner). The Motion also called on all London boroughs to cease the use of glyphosate on council property as soon as possible and tasked the GLA to set up a stakeholder forum aimed at ending pesticide use across the capital.

There has also been much activity outside of London. In Greater Manchester, Trafford Council passed a Motion to go pesticide-free after we linked up councillors and campaigners to work together. There is also enthusiasm for going pesticide-free among both councillors and local residents in other Greater Manchester boroughs of Bury, Rochdale and Manchester City.

In January, after many years of work both with Bristol Council and a Bristol activist group which we helped establish, the council passed a Motion committing to a three year phase out plan of all pesticides. This followed the collection of almost 4,000 signatures on a petition calling for the city to go pesticide-free. The Council also committed to setting up a wider stakeholder forum to encourage other land managers (such as Bristol Zoo) to go pesticide-free. The taskforce has already had its first meeting which we attended as a key member.

Ahead of local council elections in May 2019, we launched an ambitious Pesticide-Free Brighton & Hove campaign. We succeeded in engaging around 1,000 local residents and 50 local businesses in the campaign which was covered widely in local media. As a result, we secured a commitment from all political parties to go pesticide-free if elected. The Council has now signed up to our three-year phase out plan and we continue to work closely with them to ensure they follow through.

Edinburgh Council has revealed that, following our work in Scotland back in 2016 and 2017, it has reduced its use of pesticides by 38%, following the adoption of a programme of 'Integrated Weed Control' in October 2017.

We continue to dedicate time to supporting PFT campaigning groups and individuals across the UK. In 2019, we supported campaigns in more than 70 locations with a combination of information materials, bespoke advice and in-person expertise at events and council meetings.

In addition to these local efforts, we continue to push the UK Government to introduce a national ban on urban pesticide use. This becomes increasingly likely as more councils commit to go pesticide-free.

#### **UK supermarkets**

PAN UK's four-year supermarkets campaign launched in 2019. The campaign aims to strengthen the pesticide policies of the UK top ten supermarkets in order to reduce pesticide-related harms linked to their supply chains. Supermarkets wield immense influence over the way food is grown in the UK and worldwide. Their supply chains are global in reach and encompass hundreds of thousands of small and large-scale farmers.

During the first half of the year we designed and sent a detailed survey to the top ten UK supermarkets asking about their pesticide-related policies and practices. Nine out of the ten responded. Based on their responses we produced a 'supermarket ranking' which assessed them on eight criteria including; the support they give to suppliers to reduce pesticide use, how transparent they are about pesticides, sales of pesticide products to the public, their approach to phasing out the most harmful pesticides, their efforts to protect pollinators and what they are doing to reduce pesticide residues in food.

---

**Pesticide Action Network UK**  
**TRUSTEES' REPORT**  
**For the year ended 31 December 2019**

---

Once we had agreed the ranking, we began compiling all our communications and press materials. This included a new, standalone section of our website to house the campaign and a video and set of infographics to help it reach a wider audience on social media. We also created an online action which enabled PAN UK supporters and members of the public to quickly and email all supermarket CEOs. Another NGO supported the campaign with their own online action which went to 350,000 people. With all our communication materials, the aim was to create a story that was critical enough to secure media coverage without putting off the supermarkets from engaging with us to implement our recommendations.

The campaign launched to the public in November 2019, just weeks before the UK general election. While this affected the amount of media coverage the launch received, the campaign was still covered widely including in The Guardian, The Grocer (industry press) and on Talk Radio. Hundreds of PAN UK supporters wrote to their supermarkets asking them to do more to tackle pesticides. The video and infographics travelled well on social media, reaching roughly 25,000 people.

Thanks to this public pressure, we have already received a wide range of commitments from the supermarkets which we are now following up. We also have meetings secured with the majority of the top supermarkets in 2020 so we look forward to working with them to implement our recommendations.

## ***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, Tanzania, India**

Partners: OBEPAB, AGENDA, PAN India

Donor: Laudes Foundation

Our aim is to develop a simple app that can be used by farmers and extension staff in multiple countries to collect data on acute pesticide poisoning, initially focussing on cotton farmers and workers. Eventually we hope to get the app adopted at scale by sustainability standards, UNEP and others as a routine monitoring tool, thereby generating data that identifies which products are linked to significant health problems and driving improved standards in the cotton sector and beyond.

This project is designed to harness recent advances in sampling and communications technology to develop a system that will generate a large quantity of data on an ongoing basis concerning acute pesticide poisoning in cotton farming and providing evidence to support a switch to more sustainable production – helping to protect the livelihoods, health and environment of millions of rural families.

### **Benin, West Africa**

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

Donor: Big Lottery Fund and TRAIID

Benin is the fourth biggest cotton producer in Africa, with exports in 2018 of more than 530,000 tonnes. Cotton makes up around 80% of Benin's export income, supporting at least 50% of the country's population. Farmers tend to be dependent on a highly controlled infrastructure for their seeds, fertilisers and pesticides provided on credit. Use of agrochemical inputs has risen as farmers try to cope with increasing pest problems and declining soil fertility and accounts for a high proportion of their production costs.



---

**Pesticide Action Network UK**  
**TRUSTEES' REPORT**  
**For the year ended 31 December 2019**

---

Pesticide exposure can be fatal and is also associated with a range of serious acute and chronic health effects ranging from cancers, to neurological illnesses such as Parkinson's disease, to reproductive and developmental disorders. A recent study in Benin supported by TRAIID, showed a high level of concern among health professionals relating to a variety of health issues associated with the cotton growing areas.

The high level of poisoning places a heavy financial burden on rural families and developing countries. A 2013 study by UNEP estimated that the health costs of acute pesticide poisoning – defined as lost work days, outpatient medical treatment, and inpatient hospitalization – in smallholder farming in 37 sub-Saharan countries amounted to USD \$4.4 billion in 2005. Pesticides have a wider impact on rural communities and their environment. They leach into waterways, where they kill fish and other aquatic species and affect drinking water quality. They also have an impact on important pollinator species and birds.

The project currently supports over 3,700 certified organic cotton farmers (1,200 women) with training and technical support. A varied programme continues to deliver high quality training to farmers using a variety of tools such as Farmer Field Schools, demonstration plots, exchange visits, workshops, on-farm visits and participation in organic networks. Short training videos are also distributed by smart phone to approximately 2,000 farmers. The results are spectacular. In 2019, a survey of 500 of our farmers showed that organic cotton producers achieved a net income /ha from cotton 92% higher per ha than their conventional neighbours. These farmers see other benefits too, by eliminating the ill-health and fatalities caused by highly hazardous pesticides and protecting the environmental resources, such as soils and pollinator species, on which they depend.

Good crop husbandry techniques and avoidance of harmful pesticides benefit participating farmers' other crops, too. The 2019 survey revealed that their average net income from maize, cashew, and soya is also very significantly higher than conventional farmers in the same area. Achieving diversity of income is important to protect farming families' from shocks such as pest outbreaks, adverse weather or poor markets.

The activities supported by the Big Lottery Fund came to an end in 2019, as planned. TRAIID continues to support OBEPAB and it plans to extend its training and support to a further 500 farmers by 2021.

#### **Ethiopia**

Partners: PAN Ethiopia

Donor: TRAIID

TRAIID has supported PAN-UK 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. Almost 800 newly recruited farmers were engaged in training in 2019.

The project made excellent progress in supporting women's participation, increasing the percentage of women farmers involved in training from an average 15% during 2014-2018 to 30% in 2019. Of Lead Farmers trained in 2019 season, 39% were women, up from 20% in earlier years. Two more spinning associations were set up for hand-spun yarn, now totalling six, with 118 members. Women's cotton seed enterprises were established in two villages for members to clean and prepare seed from organic farms and sell to trained farmers. This will generate income for 160 women and help meet high demand from trained farmers for good quality, organic cotton seed.

Results from a survey of trained farmers in all 13 villages where the project has worked show that there is keen interest to grow organic cotton if more farmers can get access to good quality seed and better markets. Farmers also want to try the organic food spray method, developed by PAN UK to control cotton pests, on vegetables

---

**Pesticide Action Network UK**  
**TRUSTEES' REPORT**  
**For the year ended 31 December 2019**

---

and food crops. Two new staff members are planning to set up another organic cotton co-op in 2020 and to conduct field trials of the food spray in vegetables in villages close to Lake Abaya, where some smallholders are now renting out their land to intensive, high-input vegetable growers, with many of the chemical reliance problems seen in Ziway area.

In order to access the most lucrative markets and to gain organic certification, farmers must be organised into co-operatives. Two new co-operatives were legally established in 2019 and aim to gain organic certification in 2020. Another is in the process of formal registration.

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

PAN-UK supports global initiatives and organisations to address problems caused by hazardous pesticides. In 2019, 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.

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

Partners: Pure Earth

Donor: UNEP/ World Health Organization

The Africa ChemObs project is developing an information management system to support African countries to make better informed decisions on chemical pollutants and the impacts they have on human health and the environment. To support this effort, PAN-UK has developed a variety of tools and guidance materials including a 'chemical risk and vulnerability calculator' which integrates data from contaminated sites with a variety of parameters, such as population density, land use, rainfall, to arrive at a 'relative risk score' for human health and for the environment. The ambition is to integrate and automate the calculator into the MAPX system in order to help national authorities to easily run the calculations and compare the risks caused by hazardous chemicals, including pesticides, at different locations.

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

Promoting progressive policies on pesticide reduction in food and fibre supply chains and implementing safer alternatives based on agroecological principles are two of PAN UK's key objectives. Private sector sustainability standards offer training and support to millions of smallholder farmers on an ongoing basis. Supporting them to strengthen policies and training on pesticides can have a very significant impact on pesticide use in key commodity crops around the world.

In 2019, we continued to engage with supermarkets and sustainability standards to urge them to target Highly Hazardous Pesticides (HHPs) in their supply chains 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, the Forest Stewardship Council and Fairtrade. This work included a project to develop on-line training resources on cotton IPM and pesticide toxicity for field staff and researching alternatives to a variety of HHPs used in the flower sector and bananas.

In all the work that we do, it is clear that much more support is needed to enable farmers to move away from using hazardous pesticides and adopt agroecological practices that protect the natural resources on which they depend. Apart from cotton, vegetables are of global significance and concern with respect to the excessive use of Highly Hazardous Pesticides. To this end, we have established a pilot project to develop practical solutions to pesticide overuse near Lake Ziway in Ethiopia. There is a high level of interest in the results in Ethiopia and beyond.

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

Partner: PAN Ethiopia

Donor: IDH and the JJ Charitable Trust

Excessive use of hazardous pesticides on edible crops in the Ziway area threatens the health of farmers and consumers. In a 2015 study by PAN-Ethiopia in the Ziway area, 65% farmers reported symptoms consistent with mild-moderate pesticide poisoning over the previous year.

As well as introducing well-established Integrated Pest Management (IPM) techniques from vegetable IPM in other areas and countries, this innovative project is testing some methods that have not previously been used in vegetable systems. The first is the 'Food Spray' method which has been successfully introduced to IPM and organic cotton systems in southern Ethiopia. Participating farmers are requesting that we test it on vegetable crops. Food spray is a food supplement made from cheap local materials (usually maize or used brewers' yeast) that attracts natural enemies into the crop.

The project has successfully demonstrated how sowing field borders of alfalfa legume provides good habitat for natural enemies and the alfalfa can be cut for livestock feed. Two farm-scale worm composting units have been set up, to promote use of vermicompost to help improve soil health and moisture retention levels in villages where farmers struggle with poor soil and dry conditions.

In 2019 the team achieved excellent tomato and good onion yields in the third season of field trialling the food spray method, which have confirmed the technical and economic feasibility of using this method along with other IPM techniques to reduce pesticide use on vegetables. Over 250 smallholders trained via Farmer Field Schools are now asking for support from the Board of Agriculture to help them access food spray ingredients and neem seed and some medium-scale farmers are interested to get involved in IPM production. This is a major achievement in changing mind sets in a challenging production zone where vegetable production for local and national markets is completely reliant on frequent use of many HHPs.

***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 of a range of informational web pages, reports and downloads on the issues associated with pesticide use. In particular this year, we produced a ranking of the UK's leading supermarkets and the use of pesticides in their supply chains, helping consumers to make more informed shopping decisions.

Our very popular Dirty Dozen & Clean Fifteen download helps shoppers concerned about pesticide residues in their food to decide on which produce to buy organic when buying on a budget. And our report on the Cocktail Effect informed readers on the dangers of multiple pesticides in their food and the environment. We have also published regular blog posts to keep our readers aware of the latest developments in the field.

Our web following continues to grow year on year with an 86% increase in web users in 2019 compared to 2018. Our personalised approach on social media ensures that we interact daily with longstanding followers and help to educate new ones. We have a high engagement rate of 10% on Facebook (the average in our sector is 4.6%) and all three of our main channels continue to grow.

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 were featured in BBC Horizon's 'The Honest Supermarket' and BBC Countryfile, exposing some of the hidden facts about pesticides in our food and farming.



---

**Pesticide Action Network UK**  
**TRUSTEES' REPORT**  
**For the year ended 31 December 2019**

---

In addition, we have published our Pesticide Newsletter every second month; reached out to thousands of Brighton residents on the harmful effects of the amenity use of pesticides on their urban spaces (resulting in the Council phasing out the use of these chemicals); collaborated on and published a number of reports to inform and educate on the issues surrounding pesticide regulations and Brexit; and helped to spread awareness of the links between pesticides and the alarming declines in biodiversity.

## **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 began in 2019 with a target of completing this in 2020.

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

Now that the UK has left the EU, our Brexit campaign will transition into the 'Detoxifying UK agriculture' campaign. Like its predecessor, this campaign aims to defend UK pesticide standards against threats created by EU exit such as trade deals, to ensure that the new UK standalone pesticide regime is fit-for-purpose in terms of protecting human health and the environment, and to put in place the additional measures needed to support British farmers to reduce their pesticide use. There are a range of huge opportunities to advance the campaign in 2020 including the Agriculture and Environment Bills, the ongoing design of the Environmental Land Management Scheme and the Government's long awaited update of the UK's National Action Plan on the Sustainable Use of Pesticide (NAP). This work will largely take the form of advocacy but we will also mobilise PAN UK supporters to contact decision-makers directly at moments when public pressure would be useful. This work will continue to be done in coalition with other like-minded organisations wherever possible in order to maximise reach and effectiveness.

Following the successful launch of our supermarkets ranking, this year we will focus on direct engagement with supermarkets. This will include bilateral meetings with individual supermarkets during which PAN UK technical staff are able to suggest improvement and offer assistance to their supermarket counterparts. We also plan to organise roundtable meetings for the technical staff of all supermarkets to attend in order to share learnings on how best to overcome obstacles to reduce pesticide use.

Meanwhile, we will continue 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 ongoing advice on how to set up and maintain local campaigns. We will also provide practical support to help councils by providing advice on non-chemical alternatives and other relevant matters such as how to devise a pesticide policy. We will include calls for a national level ban on urban pesticide use in all relevant advocacy work with the UK Government.

### **2. Promoting sustainable agriculture**

We will continue to work with our partners in Africa to train farmers in agroecological farming techniques and to test innovative practices. We will collect evidence of best practice and disseminate lessons widely so that many more farmers and communities can benefit. Cotton and vegetables will continue to be focus crops in 2020.

### **3. Building the evidence**

2020 will see continued innovation and new opportunities to increase the scale and efficiency of data collection at scale, as mobile phone penetration continues to advance among rural communities in low income countries. We will use this opportunity to collect robust evidence of the impact of pesticides on people's health and livelihoods, using it 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) to encourage evidence-based policy and practice.

#### **4. Engaging with standards and supply chains**

PAN-UK enjoys strong and long standing relationships with leading sustainability standards including Better Cotton Initiative, Global Coffee Platform, Fairtrade, Forest Stewardship Council, Rainforest Alliance and others. These standards have a huge influence on agricultural practices and pesticide use globally on a variety of crops. We will continue to support them to strengthen their policies and training programmes. In particular we will encourage the phase out of highly hazardous pesticides (HHPs) and replacement with agroecological practices. However, farmers are responsive to the demands of the markets and it is equally important to continue our work to engage with supply chains to foster market demand for more sustainable produce.

#### **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.

## **Fundraising review**

The majority of PAN UK's funds are provided by trusts, foundations and institutional donors and these are raised through direct approaches or in response to requests for proposals. In 2019, the organisation set up an in-house supporter database and introduced an individual giving pathway to encourage donations. Our first targeted fundraising campaign using this new system was launched as a Christmas appeal, with support from a fundraising consultant. Fundraising communications were sent electronically to existing supporters and social media was used to raise awareness of the campaign. The original communications were followed up once, but we took great care to ensure that we protected the public from undue pressure and persistent communications. No complaints were received regarding the fundraising activity undertaken in 2019 and we are satisfied with the success of this campaign. We will monitor the events of 2020 and decide whether to follow this up with a second campaign.

PAN UK is not currently registered with the Fundraising Regulator as this is a new area of work for us and we are not yet committed to making this a regular activity. We used a fundraising consultant to support our campaign, to advise on methods to adopt and to ensure that the fundraising met the standards required in law.

## **Financial review**

The charity's income for the year was £1,059,867, which was significantly up on the previous year. This was a result of increases in both restricted and unrestricted income in 2019. The largest increase was seen in unrestricted donations where a large legacy increased the total from £27,191 in 2018 to £221,398 in 2019.

Total expenditure also increased, going up from £733,639 in 2018 to £804,027 in 2019. This increase was solely driven by an increase in spending from restricted funds associated with the increase in restricted income. Overall, the organisation saw a net movement in funds in 2019 of £255,840 split between unrestricted (£230,615) and restricted (£25,225). Total funds carried forward at the year end were £517,438, of which £320,423 was unrestricted. These reserves are largely held as cash.

## **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.

The total budget for salaries and organisational costs in 2020 is £519,923, which would imply holding a reserve of £173,307 and £259,962. The current free unrestricted reserves are £320,423 (all unrestricted reserves are free as there are no designations and the net book value of fixed assets is nil), which is considerably above the target range. The trustees are aware of this situation and have agreed guidelines for determining how to assess opportunities for utilising these reserves. Various opportunities will be considered in 2020 for using these reserves. As part of this, we are expecting to recruit additional staff in 2020. These staff will be partially funded by reserves whilst we seek additional funding opportunities and their costs will also alter the target reserves range and bring it closer to the actual level of reserves held. As a result, we expect that the reserves held at the end of 2020 will be more in line with the target range.

## **Going concern**

PAN UK has worked hard to develop a strong and resilient organisation and to build unrestricted reserves over recent years. This has been challenging given the difficult funding environment and the difficulties in building an unrestricted reserve whilst being reliant on restricted funding. Whilst these fundamentals have not changed, the organisation has been fortunate to receive a substantial legacy in 2019 that has allowed the organisation to build a significant unrestricted reserve.

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 2020 and considering what we know already for 2021 – 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 regularly 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.

Since the year end the Coronavirus pandemic has spread around the world and significantly impacted on the operations of all UK charities, including PAN UK. We have taken measures to ensure that the organisation is able to continue operating during this time but there is a lot of uncertainty regarding what this pandemic will mean for the organisation's ability to deliver against its plans for 2020 and beyond. We have undertaken some scenario planning and are confident that this does not impact on the organisation's ability to continue as a going concern. Part of this has been giving consideration to the level of reserves that the organisation should hold and we will continue to monitor this over the next 12-18 months. We will report fully on the impact of Coronavirus on our 2020 operations in our next annual report and accounts.

## **Structure, governance and management**

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

The Board consisted of eight trustees as at 31 December 2019 (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 2019.

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 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.

### **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)

- It's your decision: charity trustees and decision making (CC27) Memorandum and articles of association

- Latest audited accounts and trustees' report and latest management accounts

- Minutes of recent meetings

- Summary of PAN UK strategy Risk register

- Trustee list and staff list

---

**Pesticide Action Network UK**  
**TRUSTEES' REPORT**  
**For the year ended 31 December 2019**

---

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. In 2019, the Board approved the creation of a new staff / salary structure including five separate salary bands. The salary bands were benchmarked through comparison with peer organisations and the NICVA pay scale. Each role was assigned to a salary band based on the job description and responsibilities of that role. This includes the key management personnel. These salary bands will take effect from 1 January 2020. For 2019, salaries were set taking into account a range of benchmarks and criteria, 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.

### **Public benefit**

We develop our strategic plans to ensure that we provide public benefit and achieve our objectives. When reviewing our aims and objectives, and in planning activities and setting policies for the year ahead, the trustees confirm they have referred to the guidelines contained in the Charity Commission's general guidance on public benefit.



## **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 the group] 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 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 27<sup>th</sup> May 2020 and signed on their behalf by;

A handwritten signature in black ink, appearing to read 'Barbara Dinham', with a stylized flourish at the end.

**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 (the 'Charity') for the year ended 31 December 2019 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 2019 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 auditors 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.

---

**Pesticide Action Network UK**  
**INDEPENDENT AUDITORS REPORT**  
**To the members of Pesticide Action Network UK**

---

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.

**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.

---

**Pesticide Action Network UK**  
**INDEPENDENT AUDITORS REPORT**  
**To the members of Pesticide Action Network UK**

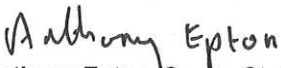
---

**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.

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.

  
Anthony Epton (Senior Statutory Auditor) for and on behalf of  
Goldwins Limited

Statutory Auditor Chartered Accountants 75 Maygrove Road West Hampstead London NW6 2WJ

16 June 2020

# **Pesticide Action Network UK**

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

**For the year ended 31 December 2019**

		2019	2019	2019	2018
		Unrestricted	Restricted	Total	Total
	Note	£	£	funds	funds
		£	£	£	£
<b>Income from:</b>					
Donations and legacies	3	221,398	-	221,398	27,191
Charitable activities:					
Reducing pesticide use in the UK	4	-	276,032	276,032	138,782
Global initiatives	4	-	19,547	19,547	191,755
Sustainable cotton	4	-	308,167	308,167	192,707
Supply chains & sustainable agriculture	4	33,299	152,038	185,337	130,401
Information provision	4	-	48,786	48,786	47,430
Other trading activities	5	471	-	471	587
Investment income	6	129	-	129	1,156
<b>Total income</b>		<b>255,297</b>	<b>804,570</b>	<b>1,059,867</b>	<b>730,009</b>
<b>Expenditure on:</b>					
Raising funds	7	580	-	580	9
Charitable activities:					
Reducing pesticide use in the UK	7	134	153,195	153,329	122,586
Global initiatives	7	49	67,680	67,729	148,967
Sustainable cotton	7	3,522	345,548	349,070	270,876
Supply chains & sustainable agriculture	7	39,038	149,850	188,888	148,325
Information provision	7	17	44,414	44,431	42,876
<b>Total expenditure</b>		<b>43,340</b>	<b>760,687</b>	<b>804,027</b>	<b>733,639</b>
<b>Net income / (expenditure)</b>	<b>8</b>	<b>211,957</b>	<b>43,883</b>	<b>255,840</b>	<b>(3,630)</b>
Transfer between funds		18,658	(18,658)	-	-
<b>Net movement in funds</b>		<b>230,615</b>	<b>25,225</b>	<b>255,840</b>	<b>(3,630)</b>
Total funds brought forward		89,808	171,790	261,598	265,228
<b>Total funds carried forward</b>	<b>16</b>	<b>320,423</b>	<b>197,015</b>	<b>517,438</b>	<b>261,598</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 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	11	-	-
<b>Current assets</b>			
Debtors	12	47,647	52,901
Cash at bank and in hand	18	526,948	213,796
		<b>574,595</b>	<b>266,697</b>
<b>Creditors: amounts falling due within one year</b>	13	(57,157)	(5,099)
<b>Net current assets</b>		<b>517,438</b>	<b>261,598</b>
<b>Net assets</b>		<b>517,438</b>	<b>261,598</b>
<b>Represented by:</b>			
Restricted funds	16	197,015	171,790
Unrestricted funds			
- General fund	16	320,423	89,808
<b>Total funds</b>		<b>517,438</b>	<b>261,598</b>

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

Approved by the trustees on 27<sup>th</sup> May 2020 and signed on their behalf by:



Barbara Dinham, Chair

**Pesticide Action Network UK**  
**STATEMENT OF CASH FLOWS**  
For the year ended 31 December 2019

	Note	2019 £	2019 £	2018 £	2018 £
<b>Net cash provided by / (used in) operating activities</b>	<b>17</b>		313,023		(10,848)
<b>Cash flows from investing activities:</b>					
Interest / rent / dividends from investments		<u>129</u>		<u>1,156</u>	
<b>Cash provided by / (used in) investing activities</b>			<u>129</u>		<u>1,156</u>
<b>Change in cash and cash equivalents in the year</b>			313,152		(9,692)
Cash and cash equivalents at the beginning of the year			213,796		223,488
Change in cash and cash equivalents due to exchange rate movements			<u>-</u>		<u>-</u>
<b>Cash and cash equivalents at the end of the year</b>	<b>18</b>		526,948		213,796



---

**Pesticide Action Network UK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2019**

---

**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. 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.

---

**Pesticide Action Network UK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2019**

---

**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.

**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 £1,000. 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 employees' pension schemes of 8% of gross salary. The employee can choose to contribute as well. Contributions are recognised as expenditure as they fall due.

**Pesticide Action Network UK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2019

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

	2018 Unrestricted £	2018 Restricted £	2018 Total £
<b>Income from:</b>			
Donations	27,191	-	27,191
Charitable activities:			
Reductions of pesticide use in the UK	-	138,782	138,782
Global initiatives	-	191,755	191,755
Sustainable cotton	-	192,707	192,707
Supply chains and sustainable agriculture	20,853	109,548	130,401
Information provision	-	47,430	47,430
Other trading activities	587	-	587
Investment income	1,156	-	1,156
<b>Total income</b>	<b>49,787</b>	<b>680,222</b>	<b>730,009</b>
<b>Expenditure on:</b>			
Raising Funds	9	-	9
Charitable activities:			
Reductions of pesticide use in the UK	166	122,420	122,586
Global initiatives	5,358	143,609	148,967
Sustainable cotton	14,297	256,579	270,876
Supply chains & sustainable agriculture	24,942	123,383	148,325
Information provision	-	42,876	42,876
<b>Total expenditure</b>	<b>44,772</b>	<b>688,867</b>	<b>733,639</b>
<b>Net movement in funds</b>	<b>5,015</b>	<b>(8,645)</b>	<b>(3,630)</b>
Total funds brought forward	84,793	180,435	265,228
<b>Total funds carried forward</b>	<b>89,808</b>	<b>171,790</b>	<b>261,598</b>

**3 Income from donations and legacies**

	Unrestricted £	Restricted £	2019 Total £	2018 Total £
Gifts				
- John & Susan Bowers Foundation	1,000	-	1,000	900
- The Cuthbert Horn Trust	-	-	-	4,000
- Croadace Homes Ltd	8,500	-	8,500	10,000
- Taurus Foundation	5,000	-	5,000	5,000
Other gifts	6,898	-	6,898	7,291
Legacies	200,000	-	200,000	-
	<b>221,398</b>	<b>-</b>	<b>221,398</b>	<b>27,191</b>

**Pesticide Action Network UK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2019

**4 Income from charitable activities**

	Unrestricted	Restricted	2019 Total	2018 Total
	£	£	£	£
<b>Reducing pesticide use in the UK</b>				
C S Fund via PAN North America	-	-	-	10,712
Chapman Charitable Trust	-	20,000	20,000	20,000
Farming the Future	-	15,417	15,417	-
ISLA Foundation	-	5,000	5,000	-
Soil Association	-	11,078	11,078	-
Tolkien Trust	-	177,287	177,287	52,570
Zephyr Charitable Trust	-	47,250	47,250	55,500
<b>Total reducing pesticide use in the UK</b>	-	<b>276,032</b>	<b>276,032</b>	<b>138,782</b>
<b>Global initiatives</b>				
UN Food and Agriculture Organisation	-	-	-	43,036
UN Environment Programme	-	19,547	19,547	148,719
<b>Total for global initiatives</b>	-	<b>19,547</b>	<b>19,547</b>	<b>191,755</b>
<b>Sustainable cotton</b>				
Big Lottery Fund	-	58,019	58,019	114,119
C & A Foundation	-	84,566	84,566	-
TRAID	-	165,582	165,582	78,588
<b>Total for sustainable cotton</b>	-	<b>308,167</b>	<b>308,167</b>	<b>192,707</b>
<b>Supply chains and sustainable agriculture</b>				
C S Fund via PAN North America	-	11,621	11,621	-
Esmee Fairburn Foundation	-	50,000	50,000	-
IDH	-	44,723	44,723	55,526
JJ Trust	-	40,000	40,000	40,000
Marisla Foundation via PAN North America	-	5,694	5,694	2,152
Polden Puckham Charitable Trust	-	-	-	6,000
SAICM via IRET	-	-	-	5,870
Consultancy	33,299	-	33,299	20,853
<b>Total supply chains/sustainable agriculture</b>	<b>33,299</b>	<b>152,038</b>	<b>185,337</b>	<b>130,401</b>
<b>Information Provision</b>				
Tolkien Trust	-	48,786	48,786	47,430
<b>Total for information provision</b>	-	<b>48,786</b>	<b>48,786</b>	<b>47,430</b>
<b>Total income from charitable activities</b>	<b>33,299</b>	<b>804,570</b>	<b>837,869</b>	<b>701,075</b>

**5 Income from other trading activities**

	Unrestricted	Restricted	2019 Total	2018 Total
	£	£	£	£
Publication sales and subscriptions	25	-	25	25
Other trading activities	446	-	446	562
	<b>471</b>	<b>-</b>	<b>471</b>	<b>587</b>

---

**Pesticide Action Network UK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2019**

---

**6 Income from investments**

	Unrestricted	Restricted	2019 Total	2018 Total
	£	£	£	£
Bank interest	129	-	129	2
Foreign exchange gain	-	-	-	1,154
	<b>129</b>	<b>-</b>	<b>129</b>	<b>1,156</b>

**7 Analysis of expenditure**

		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 £	2019 Total £	2018 Total £	
Staff costs	Direct	-	124,211	29,431	46,087	95,399	30,702	6,323	-	332,153	338,604	
Direct costs	Direct	541	13,185	33,308	292,642	76,582	8,242	-	-	424,500	353,793	
Support costs - Rent	Direct	-	-	-	-	-	-	18,461	-	18,461	18,141	
Support costs - Other	Direct	-	-	-	-	-	-	24,413	-	24,413	19,101	
Governance costs	Direct	-	-	-	-	-	-	-	4,500	4,500	4,000	
		541	137,396	62,739	338,729	171,981	38,944	49,197	4,500	804,027	733,639	
Support costs	% expenditure	35	15,109	4,614	8,310	15,876	5,253	(49,197)	-	-	-	
	% expenditure	4	824	376	2,031	1,031	234	-	(4,500)	-	-	
		580	153,329	67,729	349,070	188,888	44,431	-	-	804,027	733,639	
Total expenditure 2018		9	122,586	148,967	270,876	148,325	42,876	-	-	733,639		

Of the total expenditure, £43,340 was unrestricted (2018: £44,772) and £760,687 was restricted (2018: £688,867).

**Analysis of expenditure**

		Charitable activities								2018 Total £
	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 £	
Staff costs	Direct	-	102,116	94,060	49,163	37,126	29,455	26,684	-	338,604
Direct costs	Direct	9	6,398	41,115	202,164	97,466	6,641	-	-	353,793
Support costs - Rent	Direct	-	-	-	-	-	-	18,141	-	18,141
Support costs - Other	Direct	-	-	-	-	-	-	19,101	-	19,101
Governance costs	Direct	-	-	-	-	-	-	-	4,000	4,000
		<b>9</b>	<b>108,514</b>	<b>135,175</b>	<b>251,327</b>	<b>134,592</b>	<b>36,096</b>	<b>63,926</b>	<b>4,000</b>	<b>733,639</b>
Support costs	% expenditure	-	13,420	12,980	18,039	12,924	6,563	(63,926)	-	-
	% expenditure	-	652	812	1,510	809	217	-	(4,000)	-
		<b>9</b>	<b>122,586</b>	<b>148,967</b>	<b>270,876</b>	<b>148,325</b>	<b>42,876</b>	<b>-</b>	<b>-</b>	<b>733,639</b>

Of the total expenditure, £44,772 was unrestricted and £688,867 was restricted.

**Pesticide Action Network UK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2019**

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

This is stated after charging / (crediting):	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Operating lease rentals:		
Property	18,461	18,141
Other equipment	304	431
Auditor's remuneration: audit fees	4,000	4,000
Foreign exchange (gains) / losses	5,073	1,154

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

Staff costs were as follows:	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Salaries and wages	285,040	299,436
Social security costs	27,040	28,149
Employer's contribution to defined contribution pension schemes	20,073	11,014
	<b>332,153</b>	<b>338,599</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 £58,947 (2018: £55,456).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2018: £nil). One charity trustee received payment for professional or other services supplied to the charity of £1,050 (2018: £nil). Charity trustees were reimbursed expenses of £54 during the year (2018: £nil).

**Staff numbers**

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

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Charitable activities	7	7
Support	2	2
	<b>9</b>	<b>9</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 2019**

**11 Tangible fixed assets**

	<b>Furniture, fittings and equipment 2019 £</b>	<b>Total 2019 £</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>		
At the end of the year	<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>2019 £</b>	<b>2018 £</b>
Trade debtors	3,692	-
Other debtors	1,000	1,127
Prepayments	888	992
Accrued income	42,067	50,782
	<b>47,647</b>	<b>52,901</b>

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

	<b>2019 £</b>	<b>2018 £</b>
Trade creditors	6,014	1,000
Other creditors	10,719	51
Accruals	40,424	4,048
	<b>57,157</b>	<b>5,099</b>

**Pesticide Action Network UK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2019

**14 Pension scheme**

The Company's pension policy is to make a contribution to employees' pension schemes of 8% of gross salary. The employee can choose to contribute as well. Contributions are recognised as expenditure as they fall due.

**15 Analysis of net assets between funds**

	Unrestricted	Restricted	2019 Total funds
	£	£	£
Tangible fixed assets	-	-	-
Net current assets	320,423	197,015	517,438
<b>Net assets at the end of the year</b>	<b>320,423</b>	<b>197,015</b>	<b>517,438</b>

	Unrestricted	Restricted	2018 Total funds
	£	£	£
Tangible fixed assets	-	-	-
Net current assets	89,808	171,790	261,598
<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 1 January 2019 £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At 31 December 2019 £
<b>Restricted funds:</b>					
Reductions in pesticide use					
UK	39,026	276,032	153,195	(12,775)	149,088
Global Initiatives	48,146	19,547	67,680	(13)	-
Sustainable cotton	92,640	308,167	345,548	-	55,259
Supply chains and sustainable agriculture	(12,576)	152,038	149,850	(5,870)	(16,258)
Information provision	4,554	48,786	44,414	-	8,926
<b>Total restricted funds</b>	<b>171,790</b>	<b>804,570</b>	<b>760,687</b>	<b>(18,658)</b>	<b>197,015</b>
<b>General funds</b>	<b>89,808</b>	<b>255,297</b>	<b>43,340</b>	<b>18,658</b>	<b>320,423</b>
<b>Total unrestricted funds</b>	<b>89,808</b>	<b>255,297</b>	<b>43,340</b>	<b>18,658</b>	<b>320,423</b>
<b>Total funds</b>	<b>261,598</b>	<b>1,059,867</b>	<b>804,027</b>	<b>-</b>	<b>517,438</b>

**Pesticide Action Network UK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2019**

	At 1 January 2018 £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At 31 December 2018 £
<b>Restricted funds:</b>					
Reductions in pesticide use 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 and 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>

**Purpose of restricted funds**

**Reductions in pesticide use 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.

**Supply chains and 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.

**Pesticide Action Network UK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2019

**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**

	2019	2018
	£	£
<b>Net income / (expenditure) for the reporting period</b>	255,840	(3,630)
<b>(as per the statement of financial activities)</b>		
Interest, rent and dividends from investments	(129)	(1,156)
(Increase) / decrease in debtors	5,254	(6,300)
Increase / (decrease) in creditors	52,058	238
<b>Net cash provided by / (used in) operating activities</b>	<b>313,023</b>	<b>(10,848)</b>

**18 Analysis of cash and cash equivalents**

	At 1 January 2019	Cash flows	Other changes	At 31 December 2019
	£	£	£	£
Cash at bank and in hand	213,796	313,152	-	526,948
<b>Total cash and cash equivalents</b>	<b>213,796</b>	<b>313,152</b>	<b>-</b>	<b>526,948</b>

**19 Operating lease commitments**

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

	Property 2019	2018	Equipment 2019	2018
	£	£	£	£
Less than 1 year	18,647	18,141	304	457
1 - 5 years	4,662	4,652	25	25
	<b>23,309</b>	<b>22,793</b>	<b>329</b>	<b>482</b>

**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.

**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 2019, PAN UK received £10,000 from Polden Puckham Charitable Trust on behalf of PAN Europe for work on supply chains and sustainable agriculture. This amount had not been paid over at 31st December 2019 and so is shown as a liability in PAN UK's accounts.

**23 Post balance sheet events**

The World Health Organization declared the outbreak of the coronavirus a pandemic in March 2020. As we progress through 2020, more information is becoming known about the scale and impact of the coronavirus. The pandemic might have a financial effect on the charity and its operations. This may include changes to project implementation plans, alterations to ways of working and reductions in future donations.

