

Annual Report and Financial Statements

**For the year ended
31 December 2020**

Pesticide Action Network UK
ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2020

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Cover image: Tadesse Amara of PAN Ethiopia examines a cotton plant for pests in Ethiopia. Copyright: PAN Ethiopia

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Trustees	Barbara Dinham, Chair Edward Moore, Treasurer (appointed 27 May 2020) Lasse Bruun Elizabeth Gadd (appointed 27 May 2020) David Goulson Vicki Hird (resigned 4 January 2021) Victoria Johnson Christopher Stopes Adam Wakeley (resigned 26 March 2020) Anthony Youdeowei
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Bankers	Co-operative Bank Plc City Office 80 Cornhill London EC3V 3NJ National Westminster Bank Plc Brixton Branch 504 Brixton Road London SW9 8EB Triodos Bank Deanery Road Bristol BS1 5AS

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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 2020.

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

The Pesticide Action Network UK (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.

Our work includes campaigning for change in policy and practices at home and overseas, co-ordinating projects which help smallholder farming communities escape ill-health and poverty caused by pesticides, and contributing scientific and technical expertise to the work of other organisations who share our aims, which are:

- To eliminate hazardous pesticides
- To reduce dependence on pesticides
- To promote ecologically sound, and socially just, alternatives to chemical pest control

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:

Undertaking policy work in the areas of agriculture, health, 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 as a result of leaving 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 strengthen 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 to protect their livelihoods, health and environmental resources from the harmful effects of hazardous pesticides in Benin and Ethiopia.

Testing and adapting techniques to help vegetable farmers in Ethiopia to reduce their use of costly and hazardous pesticides in favour of agroecological alternatives.

Supporting national authorities in the Caribbean to reduce harms from Highly Hazardous Pesticides.

Developing and testing a new mobile phone app to collect information from farmers on incidents of acute pesticide poisoning.

Developing a new decision tool to support nine African countries to prioritise sites contaminated with hazardous chemicals, including pesticides, for action to protect the local population and the environment.

Influencing sustainability standards to tackle Highly Hazardous Pesticides in supply chains.

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

Working to ensure that national and global decisions are based on the evidence and are not unduly influenced by vested interests.

c) Outreach activities

An active programme of communication raises awareness of pesticides issues and informs project work. In addition to our website (www.pan-uk.org), we 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 in the UK was organised around the following three campaigns:

Detoxifying UK agriculture (formerly known as the Brexit campaign)

2020 was a big year for our national-level UK work which aims to introduce measures that will drive a significant reduction in pesticide use in UK farming. We were also kept busy defending against some major threats to existing UK pesticide standards emanating from EU exit.

We were able to secure some major wins on our key advocacy asks, including a commitment from the UK Government to introduce pesticide reduction targets by 2022. Targets have been shown to be a key vehicle for driving a reduction in pesticide-related harms in other countries, and their introduction comes as a result of a decade of campaigning by PAN UK. In addition, we also managed to ensure that the UK's new, post-Brexit agricultural subsidy system (the Environmental Land Management Scheme) will provide payments to farmers for adopting Integrated Pest Management (IPM) techniques. This is a massive departure from the current subsidy system and a big victory for our work.

This year, we also launched our work on trade with a new report comparing UK pesticide standards with those of three countries touted for post-Brexit trade deals (US, Australia and India). "Toxic Trade" highlighted the threat that these deals pose to UK protections designed to prevent human health and environment from pesticide-related harms. The report gained widespread media coverage and the accompanying video we produced was watched by more than 300,000 people, with 5,000 taking our online action and sending emails to their MPs. The level of noise across both traditional and social media prompted the government to issue a response to the report on the day it launched. Since then, both the Department for International Trade and DEFRA have issued formal responses and we continue to engage with both Government and parliamentarians on this issue. Before our efforts, pesticide issues were entirely invisible in the trade debate, but we have succeeded in bringing them to the fore, making it much harder for the UK government to trade away our hard-won pesticide protections during negotiations. We were also a key voice in the movement which saw off a trade deal with the Trump Administration.

Beyond these wins, we continued expanding our alliances with key decision-makers and have succeeded in growing our political network which now includes top civil servants, parliamentarians and government officials. We are perfectly positioned to continue to influence the many pesticide-related policy and legislative opportunities still emanating from EU exit. In 2020, we fed into a number of such processes both via written submissions and more informal meetings. These included the National Pollinator Strategy, the UK Common Framework between the devolved administrations and various parliamentary enquiries into trade negotiations.

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 scaled up our focus on coalition work and broadened out the civil society organisations with which we work to include influential voices such as the Wildlife Trusts.

We have taken advantage of a number of high-profile media opportunities to get the key messages of our national level policy workout to a wider audience. We appeared on *Channel 4 Dispatches* (audience 1 million) to talk about trade and pesticides. Other coverage of the campaign has included: *the Telegraph*, *the Financial Times*, *the Mail on Sunday* and a number of BBC Radio 4 programmes such as *Farming Today*.

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Pesticide-Free Towns (PFT) campaign

Due to the fact that it is a grassroots campaign, the Pesticide-Free Towns campaign has been more affected by the COVID pandemic than the rest of our UK work. Major events we had spent time planning for (such as the Manchester and London mayoral elections) were postponed and we were unable to meet with activists or attend events for the majority of the year. Despite these serious limitations the campaign had many notable wins in 2020.

The Pesticide-Free London campaign continued to make progress and the following London borough councils took action in 2020 to end or significantly reduce their pesticide use: Lambeth, Islington, Bromley, Tower Hamlets, Hackney, Camden, Lewisham, Southwark, Haringey and Wandsworth. Other land managers in the capital, such as City of London Corporation and Hounslow Highways, have also made progress in their journey towards becoming pesticide-free thank to our advice.

We continued to work with the Greater London Assembly and requested a progress update from the Mayor in October. He responded that both Transport for London and London Underground are continuing to explore and trial non-chemical alternatives. He also reported that on the Transport for London Road Network glyphosate use has been reduced from 6 to 2 sprays per year; and on the tram network glyphosate is applied through selective hand-spraying only. Acetic acid is now being trialled as an alternative.

There has also been much activity outside of London with many other councils around the country taking action to reduce or ban pesticides. The list includes Kent County Council, Cheltenham, Petersfield, Faversham, Waverley, Thanet, Cambridge, Wirral, Exeter, Bury, Saffron Walden and Colchester. We also worked closely with campaigners in Scotland to encourage Stirling Council to commit to going pesticide-free.

Throughout 2020, we continued to put relevant decision-makers in contact with one another to share learnings on how to go pesticide-free, a tactic which has proven to be extremely effective. This has been particularly successful in the Manchester Metropolitan area where we have linked up council-level decision-makers from the City of Manchester, Bury, Rochdale, Trafford and Oldham. In London, Lambeth, Haringey, Camden, Kingston, Richmond, Tower Hamlets and Havering have all been put in contact with the Boroughs of Hammersmith & Fulham and Hackney to learn from their approaches.

We have redesigned the PFT webpages and greatly expanded our suite of materials for campaigners and councillors. New materials include a guide to understanding your local council, using Freedom of Information requests, how to campaign in lockdown, growing a petition and how to build a social media presence.

Public interest in PFT continued to grow in 2020 and we had new campaigns spring up in all corners of the UK, from South Wales to Northern Scotland to South West England. In total, we supported campaigners in around 120 locations across the UK, including 11 in London. To service the growing number of PFT campaigners, we launched a new bimonthly newsletter and online Campaigner Catch-up event, both of which have been well-received.

In addition to these local efforts, we continue to advocate with the Welsh and Scottish parliaments to introduce regional bans on urban pesticide use as well as push the UK Government to introduce a national ban.

UK supermarkets

PAN UK's four-year supermarkets campaign began in January 2019 and has been extremely well-received. The campaign combines public-facing communications (based around a table which ranks supermarkets on their efforts to tackle pesticides) with behind-the-scenes advocacy with the supermarket's technical staff.

We launched the campaign in December 2019 with a dedicated section of the PAN UK website designed to showcase the ranking. The launch was covered by a range of press including *The Guardian*, *The Grocer*

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(industry press) and on *Talk Radio*. The short video we produced was watched by more than 25,000 people and hundreds of PAN UK supporters wrote to their supermarkets asking them to take action to reduce pesticide-related harms linked to their supply chains.

In 2020, we focussed on engaging with supermarkets one-to-one and provided direct advice Co-op, Tesco, M&S, Asda and Aldi. Thanks to the public pressure we generated, and our direct engagement, a number of supermarkets made commitments to improvements in 2020. Co-op have taken on board our recommendations and built their new pesticide policy around them (to be published in 2021). Morrisons committed to removing all pesticide products that contain glyphosate from its shelves and did so by February 2020. We have provided comments to both Tesco and Asda on their new pesticide policies and it remains to be seen in 2021 to what extent they have implemented our recommendations.

In addition to working with supermarkets individually, we are also running a series of roundtable events designed to bring them together to discuss common obstacles and solutions. In 2020, we ran two roundtable events (both online) which were attended by technical staff from nine of the UK's top ten supermarkets. We have received excellent feedback from supermarkets on these events and plan to run more.

We launched a mini-campaign on 3rd March 2020 to coincide with World Wildlife Day. It asked the top UK supermarkets to take pesticide products off their shelves. It was very popular with our supporters with over 23,000 people sending emails to their supermarkets and a high engagement rate on our social media channels. Just as a result of this action, over 1,000 new supporters signed up to the PAN UK mailing list.

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.

PAN UK Mobile Phone Health App

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

Donor: Laudes Foundation

PAN UK is developing a new mobile phone health app, which is designed to collect data from farmers on incidents of acute pesticide poisoning. Our aim is to support better monitoring of the impacts of pesticides on health as well as the helping to identify the pesticides that are linked to widespread problems so that action can be taken to address them.

The app has been tested in Tanzania, Trinidad and Jamaica and we are preparing for a test in Benin and a larger scale test in India before the system is finally launched. The test results are very encouraging. End users report that the system is easy to use and is well designed for common circumstances in remote, rural locations. It is light on battery, memory and data usage, for example, and surveys are stored on the phone in the common event that connectivity is temporarily lost. The system is currently available in four languages.

Benin, West Africa

Partners: OBEPAB

Donor: 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.

Benin seems to have escaped the most disruptive impacts of the COVID pandemic so far. Apart from some restrictions on north / south movement and meetings, the team has been largely able to work as usual. This year has seen a very significant increase in organic cotton production by the over 4,000 trained and certified organic farmers supported by our project. This scale of production is attracting significant interest from cotton traders and has coincided with a large rise in demand for West African organic cotton in global markets, this contrasts with the market for conventional cotton which has dropped dramatically. The causes are complex, including the disruption of the conventional textile sector by the pandemic and a reduced supply of organic cotton globally. The national authorities in Benin are expressing more interest in expanding and encouraging the organic sector. The Director of PAN UK's partner in Benin (OBEPAB) has been asked to advise the Government on expanding the organic sector. The situation is rather volatile but we are working to try to secure positive and sustained benefits for organic producers in Benin.

Ethiopia

Partners: PAN Ethiopia

Donor: TRAIID

TRAID 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.

In test plots, the practices developed by PAN UK for cotton see an average of 40% higher net income / ha than the cotton under local management practices. Under normal circumstances the cotton farmers who are certified organic can expect to achieve even better returns due to high demand for their organic cotton. Unfortunately, the pandemic disrupted the cotton markets in 2020 at the time of harvesting and while all of the organic cotton was sold, it did not achieve the expected premium.

The COVID pandemic has affected our field work in Ethiopia in various ways, too. After a period of restricted movement and contact, our project activities are returning to normal. The pandemic created a heavy workload for field staff, who doubled the number of training sessions in order to reach all participating farmers even with very restricted group size. Happily, the situation is now much improved. Most COVID restrictions have been lifted and meetings are possible again, with suitable precautions. In the latter quarter of 2020 the PAN Ethiopia team has been able to resume normal training activities and to catch up on some of the women's enterprise support activities and organic certification.

3. Supporting global initiatives

PAN UK supports global initiatives and organisations to address problems caused by hazardous pesticides. In 2020, we worked with a number of international organisations including the UN Food and Agriculture

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Organisation (FAO) and the UN Environment Programme (UNEP) to help improve international pesticide management.

Risk Calculator

Partner: MAPX (<https://www.mapx.org>)

Donor: UN Environment Programme

Over the last 18 months we have worked with MAPX to develop a decision-making tool to assess the relative risks to health and environment from hazardous chemicals, including pesticides, at particular sites. The aim is to help decision makers to allocate resources to the sites in most urgent need of clean up. We are supporting nine countries in Africa to use the tool and help us refine it.

UN Food and Agriculture Organisation

Over the last year we have engaged with UN FAO in a variety of ways. We acted swiftly to mobilise NGOs, academics and donors to voice objections to FAO's proposed new 'strategic partnership' with CropLife (which represents six major agrochemical companies) and we frankly voice our objections in other areas where we see the danger of undue corporate influence. At the same time, we have actively engaged with FAO's initiative to develop a Global Action Plan to tackle Highly Hazardous Pesticides and we have supported FAO's work in the Caribbean.

In 2020, we recruited a new International Project Manager who brings significant expertise in agroecology and farmer participatory research and has been a great asset in our work with FAO across nine countries in the Caribbean to:

- Support regulatory action to eliminate Highly Hazardous Pesticides
- Promote the registration of safer alternatives, such as biopesticides
- Recommend better regional coordination in key areas
- Recommend building capacity in certain institutions and government services to support a more effective shift from HHPs to agroecological solutions
- Identify safer / more agroecological alternatives for priority HHPs in common crop / pest scenarios

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.

Supply chain engagement

Donor: Laudes Foundation

In 2020, we recruited an International Project Manager to lead our work on supply chain engagement, funded by the Laudes Foundation. This work started at the end of the year with the aim of bringing evidence of the positive impact of organic and agroecological approaches from our cotton and vegetable field projects to influence supply chain actors. The work is focussed on the cotton sector initially, but there is the potential to consider other supply chains too.

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 Ethiopia threatens the health of farmers and consumers. In a 2015 study by PAN-Ethiopia in the Ziway area, very high levels of application were recorded and 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 PAN UK and PAN Ethiopia have already 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 hard work of the last three years to establish more sustainable approaches to vegetable production in the Ziway area are showing very positive results. Participating farmers have reduced pesticide use by 45-80% and improved net income by up to 50%. Pilot sales of vegetables grown with reduced pesticide inputs have been snapped up by consumers and the Board of Agriculture is keen to support more smallholders convert to IPM and possibly organic production.

The scale of the wider economic impact of the COVID pandemic is not yet fully understood, but it is likely to be very significant. The hope is that the resilience of PAN Ethiopia's trained farmers will help them through this period of uncertainty. Their ability to grow a diverse range of crops and achieve good yields without expensive inputs, the supply of which has been disrupted by the pandemic, puts them in a stronger position to get through the tough economic times ahead.

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 and alternatives 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 videos on issues associated with pesticide use.

In particular this year, we have increased our profile across both mainstream and social media and continued to improve our website including redesigning the extensive Pesticide-Free Towns (PFT) section. Our web traffic remained high in 2020 although dropped slightly due to the COVID pandemic. We averaged over 10,000 users and 17,000 page views per month and our high profile campaigns have helped in this regard.

Our social media followers remained engaged throughout 2020. In fact, during the COVID pandemic our social media channels were very active. Our current, average engagement rate on Facebook increased to 14% (the average for our sector is 4.6%) and our Twitter audience grew by 1,300 to now stand at 7,200 followers. Our newest platform, Instagram, ended 2020 with 2,500 followers.

We had 54 significant mentions in the press which have covered aspects of all the campaigns we have been working on. These included articles in *the Guardian*, *BBC News*, *the Times*, *the Financial Times*, *Farmers Guardian*, *Farmers Weekly*, *Daily Mail*, *the Independent*, *the Telegraph* and *the Ecologist* reaching diverse target audiences. We also had three guest slots on *BBC Farming Today* and an interview on *Channel 4's 'Dispatches'* as mentioned above.

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In addition, we have redesigned and published our Pesticide Newsletter every second month; launched our annual Dirty Dozen which collates, analyses and repackages UK Government data on pesticide residues in food, and started a new initiative titled 'Farmer Insights' where we aim to visit, interview and visually tell farmer stories where they are aiming to reduce or stop the use of pesticides on their farms.

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 but has been delayed by the impact of the pandemic which disrupted our timetable and prevented in-person discussions. In spite of this, the process is well advanced and we are targeting completing our new strategic plan in 2021.

1. Reducing pesticide use in the UK

In terms of UK pesticide standards, there continue to be a wide of array of both threats and opportunities emanating from EU exit. In 2021, we will continue to push for the introduction of new measures to drive a reduction in pesticide related harms. This work includes influencing the design of the UK’s new pesticide reduction targets, ensuring the Environmental Land Management Scheme pays farmers for both IPM uptake and pesticide reduction, and campaigning on the Environment Bill. Meanwhile, the work to defend against threats will focus on two key areas. Firstly, heading off industry attempts to weaken the current UK pesticide regime now that we are outside the EU. Secondly, we will focus on defending existing standards from trade deals with non-EU countries. This work will be conducted directly by PAN UK, as well as via the new civil society collaboration which we established jointly with RSPB to launch in January 2021.

In the first half of 2021, we will continue our direct work advising UK supermarkets on how to reduce pesticide-related harms linked to their supply chains. The second half of the year will focus on surveying supermarkets in preparation for launching our second supermarket ranking in November. This time around, the ranking will assess supermarkets both on their existing standards but also on the progress made since our previous ranking in 2019.

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, inspiration and ongoing advice on how to set up and maintain local campaigns. We will also provide practical support to help councils and other land managers 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

PAN UK is able to link very practical field work with engagement in high level policy. We are uniquely placed in this respect. Our work with smallholder farmers draws us into the very practical, day-to-day problems they face and we bring this understanding to higher level decision-making processes. In a typical week we may be working with our partners in Ethiopia or Benin to identify ways to improve compost or to monitor the number of pests in a plot, for example, and also sitting in a discussion hosted by one of the UN agencies concerning global commitments to tackling Highly Hazardous Pesticides. We see this span from the smallest to the largest scales as a great asset and we are working hard to ensure that smallholder farmers’ perspectives are better represented in local, national and global decision-making.

We 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 2021.

3. Building the evidence

We will be ready to launch our new mobile phone health app by the end of 2021 and this will be a great step forward in supporting organisations to monitor the impact of pesticides on farmers’ health and identify the most

harmful products. FAO and Better Cotton Initiative have already shown interest in testing the system and our ambition is for large, international organisations of this type to adopt the app as a monitoring tool, helping to drive improvements at scale in farmer safety and providing robust evidence regarding which are the most harmful pesticides.

We will continue to develop academic collaborations in order to ensure that the evidence we generate is as robust as possible and to disseminate our findings through a variety of channels, including peer reviewed papers. We already engage with Queen Mary's University London, The School of Oriental and African Studies (SOAS) and University College London in collaborations supporting PhD students to conduct research on pesticides.

We will continue to identify opportunities to influence global decision making in order to have the greatest impact possible. This will include continued engagement with UN institutions, FAO and UNEP in particular. We are also building relationships with NGOs and other allies who are interested to work with us to amplify key messages on the impact of pesticides. Global debates concerning sustainable agriculture, climate change, loss of biodiversity and food systems, for example, all have direct relevance to the work we do. We can't hope to influence them all without building positive relationships with our allies to make sure that the harms caused by pesticides are not overlooked and the importance of safe, sustainable and equitable farming systems is understood.

4. Engaging with standards and supply chains

The new post of International Project Manager (Supply Chains) will enable us to drive forward a more ambitious programme of engagement with standards and supply chains, building on relationships with leading sustainability standards including Better Cotton Initiative, Global Coffee Platform, Fairtrade, Forest Stewardship Council, Rainforest Alliance and others to work with them to tackle Highly Hazardous Pesticides and promote agroecological solutions.

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, in response to requests for proposals from these organisations or as unsolicited donations. PAN UK raises a small amount of income each year from individual giving. Most of this income is unsolicited although in 2020, as in 2019, we have undertaken a Christmas appeal designed to increase donations. For this appeal, 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 2020 and we are satisfied with the success of this campaign.

In 2019, the organisation set up an in-house supporter database and introduced an individual giving pathway to encourage donations. These tools have continued to be used in 2020 and were crucial in running the Christmas appeal.

PAN UK is not currently registered with the Fundraising Regulator as this is a relatively minor area of work for us. We have received advice from a fundraising consultant regarding approaches to adopt and how to ensure our fundraising activity is effective and legal.

We are planning to renew our focus on generating unrestricted income in 2021, including from individual givers, and will be setting up a specific working group to review our approaches in this area.

Financial review

The charity's income for the year was £1,197,570, which was higher than the previous year. This was a result of increases in both restricted and unrestricted income in 2020. Unrestricted income was expected to fall in 2020 as there was a one off, large legacy donation in 2019. However, it has increased as a result of receiving a final tranche of the same legacy plus unrestricted grants from long standing donors in response to the COVID pandemic. The increase in restricted income is mainly due to receiving £90,000 of grants at the end of 2020 that will fund expenditure in 2021.

The majority of our income for 2020 was contracted before the year began and so has been unaffected by the COVID pandemic. The major exception to this was donation income from individuals and we are pleased to report here that we have seen an increase in this income (and associated gift aid) of over £15,000 in 2021.

Total expenditure for 2020 was slightly higher than in 2019 (£804,027 in 2019 compared to £818,635 in 2020). There has been an increase in expenditure on staff costs compared to 2019 as a result of an increasing head count, but this has largely been offset by reductions in expenditure linked to limitations imposed by the COVID pandemic e.g. travel costs, costs of holding physical events, etc. The amount of expenditure funded by restricted funds is roughly the same in 2020 as in 2019 (£760,687 in 2019 compared to £758,045 in 2020) with the slight increase in overall expenditure funded by unrestricted funds.

Overall, the organisation saw a net movement in funds in 2020 of £378,935 split between unrestricted (£251,704) and restricted (£127,231). This performance is somewhat distorted by the three large, one off unrestricted items received in 2020 (totalling £201,983) and the restricted grants received in 2020 for 2021 activity (totalling £90,000). However, even without these items we would be showing a net movement in funds of £86,952, with £49,721 associated with unrestricted. This is a really strong financial performance by the organisation in 2020.

Total funds carried forward at the year end were £896,373, of which £572,127 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 2021 is £619,210, which would imply holding unrestricted reserves of £206,403 and £309,605. The current free unrestricted reserves are £572,127 (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. Free reserves were also above target at the end of 2019 and we have taken advantage of this in 2020 to recruit additional staff whose costs have been underwritten by these reserves whilst additional restricted funding is secured. However, these additional costs in 2019 were largely offset by cost reductions associated with restrictions imposed by the COVID pandemic and we received three large, unexpected unrestricted amounts, which account for the bulk of this increase.

Two of these large grants were received to mitigate the impact of coronavirus on PAN UK. This has not materialised yet as our funding for 2020 was largely secured in advance of the year beginning. However, we expect that this will be felt more keenly in 2021 as grants come to an end and we work to replace these. We are still working to raise funds for the additional staff that were recruited in 2020. As a result, we expect to run a deficit in 2021, which will reduce the levels of these reserves.

The trustees will also continue to review the level of these reserves alongside our future financial forecasts to ensure that we are striking the right balance between holding reserves for the future and using reserves in support of current activity.

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. However, the last two years have seen significant, one-off items received that have helped us to generate healthy unrestricted reserves.

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 2021 and considering what we know already for 2022 – 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. These are exacerbated by the coronavirus pandemic and the potential impact that that will have on funding organisations. Appropriate mitigating controls are being undertaken including regular monitoring of funding by the Board of Trustees. The risk is also mitigated by the level of unrestricted reserves that we currently hold.

The COVID pandemic has changed the way in which we have delivered many of our activities in 2020 but, so far, has not significantly impacted on our ability to deliver against our objectives. There is a risk that this will change in 2021 and we will continue to monitor our performance and engage with funders as and when required.

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 2020 (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 2 of this annual report. The Board met three times in 2020.

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 (e.g. media, financial, management, pesticide-related). Members of the Board give their time voluntarily and are not remunerated beyond repayment of expenses to cover travel 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

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. Management accounts are also provided at each meeting.

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 took effect from 1 January 2020. The salary bands, and individual salaries, have been reviewed at the end of 2020 and a cost of living allowance increase for 2021 of 1.5% has been approved by the Board.

Related parties and relationships with other organisations

PAN 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', but it has a limited turnover and does not employ staff. PAN UK sits on the regional co-ordinators' committee of PAN International which co-ordinates activities and information sharing across the network. PAN UK staff are active in a range of PAN International working groups including on Agroecology, Highly Hazardous Pesticides, and Advocacy. 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 May 2021 and signed on their behalf by;

A handwritten signature in dark ink, appearing to read 'Barbara Dinham', with a long horizontal flourish extending to the right.

Barbara Dinham, Chair

Independent auditor's report

To the members of Pesticide Action Network UK

Opinion

We have audited the financial statements of Pesticide Action Network UK (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended.
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- 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 charitable company 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of

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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 this gives rise to a material misstatement in the financial statements themselves. 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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has 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 charitable company 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; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

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Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company'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 charitable company'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

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

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

1 July 2021

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

		2020	2020	2020	2019
		Unrestricted	Restricted	Total funds	Total funds
	Notes	£	£	£	£
Income from:					
Donations and legacies	3	246,836	-	246,836	221,398
Charitable activities:					
Reducing pesticide use in the UK	4	-	161,785	161,785	276,032
Global initiatives	4	-	91,589	91,589	19,547
Sustainable cotton	4	-	397,661	397,661	308,167
Supply chains & sustainable agriculture	4	55,164	144,278	199,442	185,337
Information provision	4	-	99,000	99,000	48,786
Other trading activities	5	609	-	609	471
Investment income	6	648	-	648	129
Total income		303,257	894,313	1,197,570	1,059,867
Expenditure on:					
Raising funds	7	291	-	291	580
Charitable activities:					
Reducing pesticide use in the UK	7	13,850	151,170	165,020	153,329
Global initiatives	7	5,317	94,696	100,013	67,729
Sustainable cotton	7	4,023	331,190	335,213	349,070
Supply chains & sustainable agriculture	7	34,055	127,641	161,696	188,888
Information provision	7	3,054	53,348	56,402	44,431
Total expenditure		60,590	758,045	818,635	804,027
Net income / (expenditure)	8	242,667	136,268	378,935	255,840
Transfer between funds		9,037	(9,037)	-	-
Net movement in funds		251,704	127,231	378,935	255,840
Total funds brought forward		320,423	197,015	517,438	261,598
Total funds carried forward	16	572,127	324,246	896,373	517,438

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.

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BALANCE SHEET (as at 31 December 2020)

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	11	-	-
Current assets			
Debtors	12	1,099	47,647
Cash at bank and in hand	18	902,674	526,948
		<u>903,773</u>	<u>574,595</u>
Creditors: amounts falling due within one year	13	(7,400)	(57,157)
Net current assets		<u>896,373</u>	<u>517,438</u>
Net assets		<u>896,373</u>	<u>517,438</u>
Represented by:			
Restricted funds	16	324,246	197,015
Unrestricted funds			
- General fund	16	572,127	320,423
Total funds		<u>896,373</u>	<u>517,438</u>

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

Approved by the trustees on 27 May 2021 and signed on their behalf by



Barbara Dinham, Chair

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STATEMENT OF CASH FLOWS

	Note	2020	2020	2019	2019
		£	£	£	£
Net cash provided by / (used in) operating activities	17		375,078		313,023
Cash flows from investing activities:					
Interest / rent / dividends from investments		648		129	
		<u> </u>		<u> </u>	
Cash provided by / (used in) investing activities			<u>648</u>		<u>129</u>
Change in cash and cash equivalents in the year			375,726		313,152
Cash and cash equivalents at the beginning of the year			526,948		213,796
Change in cash and cash equivalents due to exchange rate movements			-		-
			<u> </u>		<u> </u>
Cash and cash equivalents at the end of the year	18		<u>902,674</u>		<u>526,948</u>

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 - effective 1 January 2015) - (Charities SORP FRS 102) and the Companies Act 2006.

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

b) Public benefit entity

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

c) Going concern

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

d) Income

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

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

e) Donations of gifts, services and facilities

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

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

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

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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.

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.

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

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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.

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2 Detailed comparatives for the statement of financial activities

	2019 Unrestricted £	2019 Restricted £	2019 Total £
Income from:			
Donations	221,398	-	221,398
Charitable activities:			
Reductions of pesticide use in the UK	-	276,032	276,032
Global initiatives	-	19,547	19,547
Sustainable cotton	-	308,167	308,167
Supply chains and sustainable agriculture	33,299	152,038	185,337
Information provision	-	48,786	48,786
Other trading activities	471	-	471
Investment income	129	-	129
Total income	255,297	804,570	1,059,867
Expenditure on:			
Raising Funds	580	-	580
Charitable activities:			
Reductions of pesticide use in the UK	134	153,195	153,329
Global initiatives	49	67,680	67,729
Sustainable cotton	3,522	345,548	349,070
Supply chains & sustainable agriculture	39,038	149,850	188,888
Information provision	17	44,414	44,431
Total expenditure	43,340	760,687	804,027
Net income / (expenditure)	211,957	43,883	255,840
Transfer between funds	18,658	(18,658)	-
Net movement in funds	230,615	25,225	255,840
Total funds brought forward	89,808	171,790	261,598
Total funds carried forward	320,423	197,015	517,438

3 Income from donations and legacies

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
Gifts				
- Tolkien Trust	80,000	-	80,000	-
- Esmee Fairbairn Foundation	25,000	-	25,000	-
- Taurus Foundation	10,000	-	10,000	5,000
- Croadace Homes Ltd	8,000	-	8,000	8,500
- Artemis Charitable Foundation	5,000	-	5,000	-
- John & Susan Bowers Foundation	800	-	800	1,000
Other gifts	21,053	-	21,053	6,898
Legacies	96,983	-	96,983	200,000
	246,836	-	246,836	221,398

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4 Income from charitable activities

			2020	2019
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Reducing pesticide use in the UK				
Chapman Charitable Trust	-	20,000	20,000	20,000
Farming the Future	-	42,486	42,486	15,417
ISLA Foundation	-	-	-	5,000
Soil Association	-	-	-	11,078
Tides Foundation	-	4,049	4,049	-
Tolkien Trust	-	81,000	81,000	177,287
Zephyr Charitable Trust	-	14,250	14,250	47,250
Total reducing pesticide use in the UK	-	161,785	161,785	276,032
Global initiatives				
UN Food and Agriculture Organisation	-	91,493	91,493	-
UN Environment Programme	-	96	96	19,547
Total for global initiatives	-	91,589	91,589	19,547
Sustainable cotton				
Big Lottery Fund	-	-	-	58,019
C & A Foundation	-	159,329	159,329	84,566
TRAID	-	238,332	238,332	165,582
Total for sustainable cotton	-	397,661	397,661	308,167
Supply chains and sustainable agriculture				
C S Fund via PAN North America	-	9,750	9,750	11,621
Esmee Fairburn Foundation	-	50,000	50,000	50,000
IDH	-	17,735	17,735	44,723
JJ Trust	-	40,000	40,000	40,000
Laudes Foundation	-	20,944	20,944	-
Marisla Foundation via PAN North America	-	5,849	5,849	5,694
Consultancy	55,164	-	55,164	33,299
Total supply chains/sustainable agriculture	55,164	144,278	199,442	185,337
Information Provision				
Tolkien Trust	-	99,000	99,000	48,786
Total for information provision	-	99,000	99,000	48,786
Total income from charitable activities	55,164	894,313	949,477	837,869

5 Income from other trading activities

			2020	2019
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Publication sales and subscriptions	25	-	25	25
Other trading activities	584	-	584	446
	609	-	609	471

6 Income from investments

			2020	2019
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Bank interest	648	-	648	129
	648	-	648	129

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7 Analysis of expenditure

	Basis of allocation	Charitable activities									
		Cost of raising funds			Reductions in pesticide use UK			Global Sustainable cotton initiatives			Supply chains & sustainable agriculture
		£	£	£	£	£	£	£	£	£	
Staff costs	Direct	-	125,556	66,402	60,159	89,852	34,941	45,968	-	422,878	332,153
Direct costs	Direct	291	8,937	17,466	45,598	19,196	12,965	-	-	104,453	131,241
Grants to partners	Direct	-	-	-	214,829	30,803	-	-	-	245,632	293,259
Support costs - Rent	Direct	-	-	-	-	-	-	18,741	-	18,741	18,461
Support costs - Other	Direct	-	-	-	-	-	-	18,685	-	18,685	24,413
Governance costs	Direct	-	-	-	-	-	-	-	8,246	8,246	4,500
		291	134,493	83,868	320,586	139,851	47,906	83,394	8,246	818,635	804,027
Support costs	% staff costs	-	27,780	14,692	13,311	19,879	7,732	(83,394)	-	0	-
Governance costs	% staff costs	-	2,747	1,453	1,316	1,966	764	-	(8,246)	-	-
		291	165,020	100,013	335,213	161,696	56,402	-	-	818,635	804,027
Total expenditure 2019		580	153,329	67,729	349,070	188,888	44,431	-	-	-	804,027

Of the total expenditure, £60,590 was unrestricted (2019: £43,340) and £758,045 was restricted (2019: £760,687).

Grants to partners in 2020 includes grants to Pesticide Action Nexus Association, Ethiopia (£102,956), Organisation Béninoise pour la Promotion de l'Agriculture Biologique, Benin (£120,837) and AGENDA for Environment and Responsible Development, Tanzania (£21,839).

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Analysis of expenditure of previous reporting period		Charitable activities									
		Reductions in pesticide use UK					Sustainable cotton agriculture			Supply chains & Information provision	
		Basis of allocation	Cost of raising funds	£	£	£	Global Initiatives	£	Sustainable cotton	£	Information provision
Staff costs	Direct			124,211	29,431	46,087	95,399	30,702	6,323	-	332,153
Direct costs	Direct		541	13,185	33,308	34,708	41,257	8,242	-	-	131,241
Grants to partners	Direct		-	-	-	257,934	35,325	-	-	-	293,259
Support costs - Rent	Direct		-	-	-	-	-	-	18,461	-	18,461
Support costs - Other	Direct		-	-	-	-	-	-	24,413	-	24,413
Governance costs	Direct		-	-	-	-	-	-	-	4,500	4,500
			541	137,396	62,739	338,729	171,981	38,944	49,197	4,500	804,027
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

Of the total expenditure, £43,340 was unrestricted and £760,687 was restricted.

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8 Net income / (expenditure) for the year

This is stated after charging / (crediting):	2020	2019
	£	£
Operating lease rentals:		
Property	18,741	18,461
Other equipment	372	304
Auditor's remuneration: audit fees	4,200	4,000
Foreign exchange (gains) / losses	1,784	5,073

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

Staff costs were as follows:	2020	2019
	£	£
Salaries and wages	359,890	285,040
Social security costs	34,197	27,040
Employer's contribution to defined contribution pension schemes	28,791	20,073
	422,878	332,153

The number of employees with employee benefits (excluding employer pension contributions) greater than £60,000 per annum was as follows.

	2020	2019
Range	No.	No.
£60,000 to £69,999	1	0

The total employee benefits (including employer pension contributions) of the key management personnel were £73,440 (2019: £58,947).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2019: £nil). No charity trustees received payment for professional or other services supplied to the charity (2019: One trustee, £1,050). Charity trustees were reimbursed expenses of £nil during the year (2019: £54).

Staff numbers

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

	2020	2019
	No.	No.
Charitable activities	7.5	7.0
Support	2.0	2.0
	9.5	9.0

10 Taxation

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

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11 Tangible fixed assets

	Furniture, fittings and equipment	Total
	2020	2020
	£	£
Cost		
At the start of the year	5,021	5,021
Additions in year	-	-
Disposals in year	-	-
At the end of the year	5,021	5,021
Depreciation		
At the start of the year	5,021	5,021
Charge for the year	-	-
Eliminated on disposal	-	-
At the end of the year	5,021	5,021
Net book value		
At the end of the year	-	-
At the start of the year	-	-

All of the above assets are used for charitable purposes.

12 Debtors

	2020	2019
	£	£
Trade debtors	-	3,692
Other debtors	1,000	1,000
Prepayments	99	888
Accrued income	-	42,067
	1,099	47,647

13 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	1,800	6,014
Other creditors	680	10,719
Accruals	4,920	40,424
	7,400	57,157

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.

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15 Analysis of net assets between funds

	2020		
	Unrestricted	Restricted	Total funds
	£	£	£
Tangible fixed assets	-	-	-
Net current assets	572,127	324,246	896,373
Net assets at the end of the year	572,127	324,246	896,373

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

16 Movements in funds	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
Restricted funds:					
Reductions in pesticide use UK	149,088	161,785	151,170	(9,037)	150,666
Global Initiatives	-	91,589	94,696	-	(3,107)
Sustainable cotton	55,259	397,661	331,190	-	121,730
Supply chains & sustainable agriculture	(16,258)	144,278	127,641	-	379
Information provision	8,926	99,000	53,348	-	54,578
Total restricted funds	197,015	894,313	758,045	(9,037)	324,246
General funds	320,423	303,257	60,590	9,037	572,127
Total unrestricted funds	320,423	303,257	60,590	9,037	572,127
Total funds	517,438	1,197,570	818,635	-	896,373

Movements in funds in previous reporting period	At 1 January 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2019 £
Restricted funds:					
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 & sustainable agriculture	(12,576)	152,038	149,850	(5,870)	(16,258)
Information provision	4,554	48,786	44,414	-	8,926
Total restricted funds	171,790	804,570	760,687	(18,658)	197,015
General funds	89,808	255,297	43,340	18,658	320,423
Total unrestricted funds	89,808	255,297	43,340	18,658	320,423
Total funds	261,598	1,059,867	804,027	-	517,438

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Purposes 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.

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 & 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

	2020	2019
	£	£
Net income / (expenditure) for the reporting period	378,935	255,840
(as per the statement of financial activities)		
Interest, rent and dividends from investments	(648)	(129)
(Increase) / decrease in debtors	46,548	5,254
Increase / (decrease) in creditors	(49,757)	52,058
Net cash provided by / (used in) operating activities	375,078	313,023

18 Analysis of cash and cash equivalents

	At 1 January	Cash	Other	At 31
	2020	flows	changes	December
	£	£	£	2020
				£
Cash at bank and in hand	526,948	375,726	-	902,674
Total cash and cash equivalents	526,948	375,726	-	902,674

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19 Operating lease commitments

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

	Property		Equipment	
	2020	2019	2020	2019
	£	£	£	£
Less than 1 year	18,647	18,647	304	304
1 – 5 years	4,662	4,662	25	25
	23,309	23,309	329	329

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 sits 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 was paid to PAN Europe in 2020. PAN UK also paid a €200 membership subscription to PAN Europe in 2020.