

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 2017

CHARITY COMMISSION
FIRST CONTACT

17 AUG 2019

RECORDED
RECEIVED



Pesticide Action Network UK

Annual Report and financial statements

For the year ended 31 December 2017

Contents

	Page
Reference and administrative information	1
Trustees' annual report	2
Independent auditors' report	15
Statement of financial activities <i>(incorporating an income and expenditure account)</i>	18
Balance sheet	19
Statement of cash flows	20
Notes to the financial statements	21

Pesticide Action Network UK

Reference and administrative information details of the charity

For the year ended 31 December 2017

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

Pesticide Action Network UK

Trustees' Report

For the year ended 31 December 2017

The trustees, who are also directors under company law, present their report and financial statements for the year ended 31 December 2017.

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

Objectives and activities

Purposes and aims

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

The charity's objects are:

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

Activities in relation to the Charity's purposes and aims

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

The current PAN UK projects are:

a) Focusing on the UK and Europe:

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

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

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

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

Trustees' Report

For the year ended 31 December 2017

b) With an international focus:

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

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

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

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

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

c) Outreach activities

An active programme of communication raises awareness of pesticides issues and informs project work. In addition to our website (www.pan-uk.org), we are active on social media, namely Facebook (/PesticideActionNetworkUK) and Twitter (@pan_uk). We also publish our bi-monthly journal, Pesticides News, and a number of specific reports. We reach out directly to members of the UK public in order to mobilise them to contact decision-makers at both the national and local levels. We continue to provide a free service to answer queries from the media and public and PAN UK staff regularly give talks to interested groups and scientific conferences.

Achievements and performance

1. Reducing pesticide use in the UK

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

Brexit

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

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

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

Pesticide Action Network UK

Trustees' Report

For the year ended 31 December 2017

2017 was a big year for PAN's Brexit campaign. In February, we were among the first organisation to publish detailed recommendations on what we wanted to see post-Brexit. Through our involvement with NGO coalitions like Greener UK and Sustain, we have been able to inform the strategies of the big civil society organisations ensuring that pesticides remain part of their agenda.

We have shared our analyses directly with decision-makers including all relevant government and shadow ministers (Defra, Health, Trade, Brexit and Business) and select committee chairs. We have also mobilised public opinion encouraging PAN UK supporters to contact their local MPs, and senior politicians to demand strong pesticide laws post-Brexit and greater support for farmers using non-chemical alternatives.

As a result of our work, the UK government's 25 Year Environment Plan and the early version of the new Agriculture Law (both published in the first quarter of 2018) include significant sections on pesticides and set the aspiration to reduce their use as well as the harms they cause.

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

We worked closely with our colleagues in the UK and in Europe to keep up the pressure on the European Commission to maintain the ban on three neonicotinoid insecticides that have been implicated in the declines of bees and other wild pollinators. The European Commission introduced the ban in 2012 and has spent the years since assessing scientific data on the toxicity to bees of these chemicals with the aim of making a final decision on whether to keep the ban by the end of 2017. Since the Brexit referendum, our work has also focused on ensuring that the UK government will bring the EU ban into UK law post-Brexit.

Public opinion in the UK strongly supported the European ban, but certain actors – notably the National Farmers' Union (NFU) and some politicians – continued to oppose it. Collaborating closely with the UK Bee Coalition of NGOs, of which PAN UK is a founder member, we worked tirelessly to counter the misinformation and propaganda put forward by the pesticide industry and its allies. This gave policy makers, the media and the public access to a balanced range of information based on science, rather than messages driven by commercial agendas. As a result of our efforts, in November, the UK government did a complete U-turn and announced that it would support the EU ban and that there may even be a case for 'going further'. Crucially, they also confirmed that they will bring the EU ban into UK law post-Brexit.

We are delighted to report that, on 27 April 2018, the European Commission made permanent and extended the ban on the three neonicotinoids – clothianidin, imidacloprid and thiamethoxam. The decision amounts to an outright ban since they are no longer allowed to be used on any crop that is grown outdoors. This has come after many years of working with our colleagues in Europe and is a huge victory for the PAN family.

Pesticide-Free Towns

Our Pesticide-Free Towns (PFT) campaign grew in 2017 in terms of both reach and impact. We have continued to help concerned members of the public start local campaigns across the UK and, by the end of 2017, were supporting more than 40 campaigns nationwide by providing information materials, ongoing expertise and advice. We have created new alliances with like-minded groups in order to reach out beyond our supporter base and attract new PFT campaigners, regularly speaking at other groups' events. We also assisted progressive local authorities wanting to reduce pesticide use in their areas. This has involved engaging directly with both councillors and council officers, providing them with tailored advice and support on how to go pesticide-free, including assistance drafting motions for discussion in Council meetings, devising pesticide policies and designing trials of non-chemical alternatives. We held a regional workshop in Scotland which was attended by representatives of a quarter of Scotland's local councils. The PFT campaign section on our website was updated and we continued to publish various materials aimed at assisting both local activists and decision-makers, including our *Gardening Without Pesticides* Guide which aims to reduce

Pesticide Action Network UK

Trustees' Report

For the year ended 31 December 2017

amateur pesticide use in towns and cities. As a result of our work, in 2017, numerous local authorities – including Lewes, Frensham, Wadebridge and Brighton – took action to significantly reduce or end pesticide use.

This year saw glyphosate, the main chemical used in UK towns and cities, receive a new five-year license from the EU. Many UK authorities and politicians have interpreted this decision as concluding that glyphosate is 'safe'. This is not the case, and in fact, the new licence was issued with the express condition that authorities "Minimise the use in public spaces, such as parks, public playgrounds and gardens". In addition, in 2017 we ramped up our work to get a national-level ban on urban pesticide use. We conducted polling which revealed that 70% of UK citizens want towns and cities to be pesticide-free and placed the results in national media to ensure that UK politicians would see it.

2. Promoting sustainable cotton

Cotton production is notorious for its high use of pesticides worldwide compared to other crops. Evidence gathered by PAN UK and other organisations over the years has shown that the pesticides used in cotton have poisoned and killed many farmers around the world and polluted the environment. PAN UK is at the forefront of efforts to test and promote safer approaches to smallholder cotton farming that will provide a secure livelihood for producers and a safer environment for all of us. Our experience in Benin and Ethiopia has demonstrated that this is achievable.

Benin

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

PAN-UK and OBEPAB are now half way through a four-year project funded by the Big Lottery Fund and TRAIID which aims to:

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

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

- Improve production and access to markets in other high value organic crops such as shea and cashew

- Establish smallholder production of organic cotton seed

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

- Provide processing equipment for neem, maize and shea will give villages the means to raise new income to support school and village development. This will free girls and young women from

Trustees' Report

For the year ended 31 December 2017

time-consuming work, enabling them to continue their schooling.

By the end of 2017, some 2,824 farmers – 1,081 of whom were women – were being supported by the project. The training provided has seen cotton yields increase and input costs fall. As a result, the average net income from cotton of trained farmers was 66% higher than untrained farmers. What is more, farmers are applying improved farming practices to other crops. Trained farmers grew on average 14 other crops alongside cotton, and their income from these crops was 53% higher than neighbouring conventional growers.

Ethiopia

Since 2013, with financial support from TRAID and in collaboration with PAN-Ethiopia, our project in southern Ethiopia has provided training for over 2,000 smallholder cotton farmers. Training in our farmer field schools has helped farmers realise the benefits of good crop husbandry, Integrated Pest Management (IPM) techniques and soil improvement without the use of expensive and hazardous pesticides. **In 2017, 200 of these farmers gained organic cotton certification – the first in the country – and were able to sell their cotton for a premium price.**

Even those farmers who did not choose to go for organic certification have seen significant increases in their incomes. As a result of their training, farmers are achieving much higher yields – on average double that of untrained farmers – and have improved the quality of their cotton so they can charge a higher price – around 77% higher than they did before. The reduction in pesticide use has meant that farmers and their families are experiencing fewer health problems. Bees and other beneficial insects are starting to return to their fields, bringing the whole ecosystem back into balance and opening up other sources of income, including the sale of honey.

In 2017, working with the team from PAN Ethiopia and the Ethiopian Ministry of Agriculture, we reviewed the training approaches and factors that have led to this success. The result will be a detailed IPM toolkit which will guide trainers through the process of setting up a successful sustainable cotton project.

We also worked to influence supply chains and encourage retailers to buy more sustainable cotton. In 2017, in partnership with WWF and Solidaridad, we published our second sustainable cotton ranking which examined the purchasing and policies of the fifty biggest cotton-using companies in the world. It showed that only a handful of companies are actively purchasing more sustainable cotton. We hope that by highlighting the inaction by the other companies we will encourage them to do more to support sustainable cotton. We also published an in depth analysis of pesticide use in cotton growing worldwide. This was prompted by a growing perception that pesticide use in cotton was no longer a problem. The report looked at trends and patterns of pesticide use in six countries and regions that between them produce around four fifths of the world's cotton. The research found that while total pesticide use in cotton has indeed fallen since the 1980s. In particular, insecticide use has declined, as has herbicide, although neither are as significant as some have claimed and both are on the rise in some places. Importantly, poisoning and pollution is still common place in many parts of the world. The report also found that those countries who have been most successful at cutting pesticide use – and in keeping it low – have been those who have embraced Integrated Pest Management (IPM). The lesson is clear: if it is serious about reducing pesticide use, the sector must make more use of tools like IPM and other agro-ecological approaches such as botanical and biological control

3. Supporting global initiatives

In 2016, working with the Rotterdam Convention and local NGOs, we collected data on pesticide use in Georgia. The surveys of nearly 1,000 smallholder farmers and farm workers revealed very poor conditions of pesticide use and widespread problems with labelling and repackaging into bags and drinks bottles. As a

Trustees' Report

For the year ended 31 December 2017

result, in 2017, the Government of Georgia tightened its regulation and enforcement on packaging and reported several of incidents of pesticide poisoning to the Rotterdam Convention. National TV, radio and print media covered the story and helped to alert farmers and retailers about the hazardous products they are using.

Based on these findings, the Georgian Government proposed that the insecticide lambda cyhalothrin E.C. be "listed" in Annex III of the Rotterdam Convention as a "Severely Hazardous Pesticide Formulation". Listing does not mean chemicals are internationally banned, but many sustainability standards and retailers do prohibit their use and countries are more likely to review the registration of the product. In September the Chemical Review Committee (CRC) of the Rotterdam Convention considered the Georgian proposal but was unable to come to a conclusion. The decision has been postponed to a later meeting. Shockingly, CropLife – the Pesticide industry trade body – defended the product by saying that *'the number of LCYH-related incidents would be broadly in line with or lower than would be expected based on the frequency of use.'* We would love to know how many incidents of poisoning they expect. At PAN UK, we don't think that it is acceptable to sell hazardous products in circumstances where you expect multiple incidents of poisoning to result. We are re-analysing the data to provide additional information to the CRC to allow it to make a recommendation at its next meeting.

4. Advising supply chains & promoting sustainable agriculture

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

In 2016 we continued to engage with supermarkets and sustainability standards to urge them to target Highly Hazardous Pesticides (HHPs) and to support farmers to switch to agro-ecological alternatives. In particular, we provided advice to a number of sustainability standards including the Better Cotton Initiative, Fairtrade International and the Forest Stewardship Council.

In all these contexts, it is clear that If we are serious helping farmers to move away from HHPs it is clear that we need to provide effective training and technical support to help them adopt safer alternatives Our approach is to work with supply chains to firstly identify which HHPs are in use, in which crops and against which pests, weeds or diseases, then to prioritise selected pesticides or crops for pilot projects on phasing out specific HHPs, replacing these with effective IPM alternatives. Rather than merely opting for a less toxic pesticide, we encourage the farming sector to phase in non-chemical strategies, combining different biological, physical and cultural pest management methods, learning from first-hand experiences elsewhere. Our work with supply chains is complemented with practical projects to demonstrate the process of identification of problem HHPs and development of effective agro ecological approaches such as:

Phasing out HHPs in Costa Rica

This project funded by the Strategic Approach to International Chemicals Management (SAICM), with the Regional Research Institute on Toxic Substances (IRET) at the National University, was launched in May 2015. PAN UK's role is to provide technical and policy support to the Costa Rican team, sharing experiences from other countries and linking the work with global policy forums on HHPs. With two seasons' worth of data under its belt, the project began to share its findings in 2017 with workshops on phasing out HHPs in coffee and pineapple. The project shared positive steps forward in small and large-scale farms in Central America, with equal emphasis on soil health and making use of on-farm resources for nutrient cycling and is now influencing national policy on HHP reduction in a country with very high per hectare use of pesticides.

Trustees' Report

For the year ended 31 December 2017

5. Providing Information

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

In 2017, we continued to increase our communications activities significantly in terms of both quantity and quality. We launched our new website in February which has greatly boosted our ability to tell our story and to expand our audience. Between January and July, the number of monthly web users increased by 281% and the number of pages viewed increased by 410%. We also put much effort into expanding and strengthening our social media presence. In 2017, our Facebook following increased by 35% and Twitter by 25%. The design of our published materials – including our bi-monthly newsletter Pesticide News – has been modernised, incorporating branded colours and making better use of visuals.

We substantially increased our media coverage and profile in 2017, partly by taking advantage of reactive media opportunities and partly by producing our own content. In September we published a high-profile report, Food for Thought, exposing the high-levels of pesticide residues present in food being given to children through England's School Fruit and Vegetables Scheme. We received coverage in the Daily Mail, the Sun, the Mirror and the Guardian, all of which mentioned PAN UK prominently. The report also travelled far on social media and we conservatively estimate that at least 1 million people saw the story.

Financial review

The charity's income for the year was £553,178 slightly up on the previous year. However, total expenditure was £475,835, generating a surplus for the year of £77,343. Our surplus on unrestricted funds was £33,302 and the surplus restricted fund is £44,041. The restricted funds have changed from deficit of £16,966 in 2016 to surplus of £44,041. Our resulting general fund at the year-end after considering the brought forward fund balance was £84,793 and the restricted fund is £180,435. Our balance sheet is healthy, with significant cash balances that more than cover our restricted funds at the year-end.

Reserves policy

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

The trustees consider that holding free unrestricted reserves equivalent to between four and six months of expenditure for salaries and organisational costs provides adequate cover. This would suggest a reserve of between £122,068 and £183,102. At 31 December 2017, unrestricted reserves of £84,793 are well below the amount required. However, we believe that we are now in a position after some difficult years to build on this, and aim to bring our reserves within our target over the next five financial years.

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

Trustees' Report

For the year ended 31 December 2017

Going concern

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

Having prepared detailed projections for 2018 and 2019 including confirmed contracts and a moderate and realistic estimate from pending funding applications and other sources, the board of Trustees considers that PAN UK has adequate funding to continue operating for the next twelve months. The accounts have therefore been prepared on a going concern basis.

Principal risks and uncertainties

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

Plans for the future

The five-year strategic plan developed by staff and Trustees in 2014 remains in place and continues to guide our activities, however, the plan is a "living" document and is regularly reviewed and adapted to reflect new or modified opportunities and threats. The process of developing a new plan will begin in 2018.

1. Reducing pesticide use in the UK

Brexit will continue to be a significant focus of our activities in the UK. Not only will we work to defend hard-won pesticide controls and ensure that regulations are not weakened once we leave the EU, but we will also push for a more sustainable approach to agriculture which supports farmers to reduce pesticide use and protect biodiversity. Brexit provides a once in a lifetime opportunity to develop a new agricultural system that allows farmers to make a good living, but at the same time delivers a safe and healthy environment. Engaging effectively in the Brexit process will require significant staff time and resources. Key advocacy opportunities which are due to arise in 2018 include the 25 Year Environment Plan, the new Agriculture Bill, the review of the UK's National Action Plan and the design of the new Environmental Watchdog.

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

Pesticide Action Network UK

Trustees' Report

For the year ended 31 December 2017

Meanwhile, we will intensify our efforts to encourage UK towns and cities to go pesticide-free. We will support local grass root groups to advocate for change by providing information and guides on how to set up local campaigns. We will also provide practical support to help councils to respond to their communities' demands by providing advice on non-chemical alternatives. In 2018, our geographical focus for the campaign will be London and the southeast, using upcoming council elections as a hook around which to both mobilise local activists and garner support from candidates. We will also increase our focus on facilitating knowledge sharing among decision-makers, both in the UK and across Europe.

2. Supporting global initiatives

We will continue to collect robust evidence of the harm caused by pesticide use and use the evidence generated by our projects to promote safe, effective agro-ecological approaches at local and international policy levels. We will continue to engage with the UN Food and Agriculture Organization, the Rotterdam and Stockholm Conventions, the UN Strategic Approach to International Chemicals Management (SAICM), and UN Environment (UNEP) in order to promote and disseminate our work.

3. Promoting sustainable cotton

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

4. Advising food supply chains & promoting sustainable agriculture

We will build on the strong relationships we have built with leading sustainability standards including Fairtrade, Better Cotton Initiative, 4C Coffee, Forest Stewardship Council and others. We will with these – and other – organisations to develop effective pesticide policies and support their growers to reduce reliance on chemical inputs. In particular we will encourage retailers, suppliers and other supply chain actors to adopt the PAN International approach for identifying and prioritising the phase out of highly hazardous pesticides (HHPs). We continue our work with retailers to create market demand for more sustainable commodities. With funding from the JJ Charitable Trust and IDH – the Dutch government's Sustainable Trade Initiative – we will launch a new project in Ethiopia in 2018 to develop an IPM system to help smallholder vegetable growers reduce reliance on pesticides.

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. New communications priorities for 2018 include the design and implementation of a supporter engagement strategy, to expand our supporter base and we will also introduce a CRM (Customer Relationship Management) system to ensure we are able to keep track of what communications people are receiving from us and tailor them accordingly.

Pesticide Action Network UK

Trustees' Report

For the year ended 31 December 2017

Induction and training of trustees

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

- Charity commission guidance for trustees The Essential Trustee (CC3)

- Hallmarks of an effective charity (CC10)

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

- Latest audited accounts and trustees' report Latest management accounts

- Minutes of recent meetings

- Summary of PAN UK strategy Risk register

- Trustee list

- Staff list

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

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

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

Key management personnel

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

Trustees' Report

For the year ended 31 December 2017

Structure, governance and management

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

The board consisted of ten trustees as at 31 December 2017 (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 three times in 2017.

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

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

Recruitment and appointment of trustees

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

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

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

Trustees' Report

For the year ended 31 December 2017

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.

Pesticide Action Network UK

Trustees' Report

For the year ended 31 December 2017

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 31st July 2018 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 2017 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 2017 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.

Pesticide Action Network UK

Independent Auditors' Report

To the members of Pesticide Action Network UK

Other information

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

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

We have nothing to report in this regard.

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.

Pesticide Action Network UK

Independent Auditors' Report

To the members of Pesticide Action Network UK

Responsibilities of the trustees

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

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

Our responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities]. 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 2EG**

14 August 2018

Pesticide Action Network UK

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

For the year ended 31 December 2017

		2017	2017	2017	2016
		Unrestricted	Restricted	Total	Total
	Notes	£	£	funds	funds
		£	£	£	£
Income from:					
Donations	3	24,666	-	24,666	25,398
Charitable activities:	4				
Reducing pesticide use in the UK		-	133,853	133,853	88,009
Global initiatives		-	51,673	51,673	75,739
Sustainable cotton		-	253,986	253,986	216,408
Supply chains & sustainable agriculture		38,558	19,847	58,405	58,366
Information provision		-	30,000	30,000	-
Other trading activities	5	592	-	592	237
Investment income	6	3	-	3	5
Other Income		-	-	-	4,545
Total Income		63,819	489,359	553,178	468,707
Expenditure on:					
Raising funds	7	481	-	481	274
Charitable activities:	7				
Reducing pesticide use in the UK		11,186	132,979	144,165	76,438
Global initiatives		3,014	51,673	54,687	111,073
Sustainable cotton		12,366	212,078	224,444	186,717
Supply chains & sustainable agriculture		3,117	18,588	21,705	54,876
Information provision		353	30,000	30,353	30,000
Total expenditure		30,517	445,318	475,835	459,378
Net income	8	33,302	44,041	77,343	9,329
Net movement in funds		33,302	44,041	77,343	9,329
Total funds brought forward		51,491	136,394	187,885	178,556
Total funds carried forward	16	84,793	180,435	265,228	187,885

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 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	11	-	-
Current assets			
Debtors	12	46,601	14,250
Cash at bank and in hand	18	223,488	185,978
		<u>270,089</u>	<u>200,228</u>
Creditors: amounts falling due within one year	13	(4,861)	(12,343)
Net current assets		<u>265,228</u>	<u>187,885</u>
Net assets		<u><u>265,228</u></u>	<u><u>187,885</u></u>
Represented by:			
Restricted funds	16	180,435	136,394
Unrestricted funds			
- General fund	16	84,793	51,491
Total funds		<u><u>265,228</u></u>	<u><u>187,885</u></u>

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

Approved by the trustees on 31st July 2018 and signed on their behalf by



Barbara Dinham, Chair

Pesticide Action Network UK
Statement of cash flows
For the year ended 31 December 2017

	Note	2017 £	2017 £	2016 £	2016 £
Net cash provided by / (used in) operating activities	17		37,507		13,293
Cash flows from investing activities:					
Interest/ rent/ dividends from investments		3		5	
Cash provided by / (used in) investing activities			3		5
Change in cash and cash equivalents in the year			37,510		13,298
Cash and cash equivalents at the beginning of the year			185,978		172,680
Change in cash and cash equivalents due to exchange rate movements			-		-
Cash and cash equivalents at the end of the year	18		223,488		185,978

Pesticide Action Network UK
Notes to the financial statements
For the year ended 31 December 2017

1 Accounting policies

a) Basis of preparation

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

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Public benefit entity

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

c) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Key judgements that the charitable company has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

d) Income

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

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

e) Donations of gifts, services and facilities

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

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

f) Interest receivable

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

g) Fund accounting

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

Pesticide Action Network UK
Notes to the financial statements
For the year ended 31 December 2017

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.

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%

k) Debtors

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

l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

m) Creditors and provisions

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

n) Financial instruments

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

o) Pensions

The Company's pension policy is to make a contribution to individual employees personal pension schemes of 4% of gross salary, which must be matched by an employee contribution of at least 1%. Contributions are recognised as expenditure as they fall due.

Pesticide Action Network UK

Notes to the financial statements

For the year ended 31 December 2017

2 Detailed comparatives for the statement of financial activities

	2016 Unrestricted £	2016 Restricted £	2016 Total £
Income from:			
Donations	25,398	-	25,398
Charitable activities:			
Reductions of pesticide use in the UK	-	88,009	88,009
Global initiatives	-	75,739	75,739
Sustainable cotton	-	216,408	216,408
Supply chains and sustainable agriculture	51,320	7,046	58,366
Information provision	-	-	-
Other trading activities	237	-	237
Investment income	5	-	5
Other income	4,545	-	4,545
Total income	81,505	387,202	468,707
Expenditure on:			
	274	-	274
	469	75,969	76,438
	11,648	99,425	111,073
	14,004	172,713	186,717
Supply chains & sustainable agriculture	28,815	26,061	54,876
Information provision	-	30,000	30,000
Total expenditure	55,210	404,168	459,378
Net movement in funds	26,295	(16,966)	9,329
Total funds brought forward	25,196	153,360	178,556
Total funds carried forward	51,491	136,394	187,885

3 Income from donations

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Gifts				
- John & Susan Bowers Foundation	700	-	700	500
- Anber Fund via LCVS	2,000	-	2,000	2,000
- The Cuthbert Horn Trust	4,000	-	4,000	4,000
- Croadace Homes Ltd	7,500	-	7,500	8,500
- 1970 Trust	1,500	-	1,500	2,400
- Nigel P L Trumper Donation	-	-	-	3,000
Other gifts	8,966	-	8,966	4,998
	24,666	-	24,666	25,398

Pesticide Action Network UK
Notes to the financial statements
For the year ended 31 December 2017

4 Income from charitable activities

			2017	2016
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Reducing pesticide use in the UK				
C S Fund via PAN North America	-	10,752	10,752	10,209
Chapman Charitable Trust	-	20,000	20,000	25,000
Lush Charity Pot	-	-	-	2,800
Tolkien Trust	-	35,000	35,000	-
Private Funder	-	12,500	12,500	-
Taurus Foundation	-	5,000	5,000	-
Tides Foundation	-	3,038	3,038	-
Zephyr Charitable Trust	-	47,563	47,563	50,000
Total reducing pesticide use in the UK	-	133,853	133,853	88,009
Global initiatives				
The Darwin Initiative	-	-	-	21,898
FAO - SHPF Toolkit	-	51,673	51,673	18,428
FAO - Health Monitoring in Georgia	-	-	-	35,413
Total for global Initiatives	-	51,673	51,673	75,739
Sustainable cotton				
TRAID	-	77,321	77,321	102,036
Big Lottery Fund	-	154,000	154,000	114,372
C & A Foundation	-	22,665	22,665	-
Total for sustainable cotton	-	253,986	253,986	216,408
Supply chains and sustainable agriculture				
Marisla fund via PAN North America	-	4,090	4,090	3,403
SAICM Quick Start Programme	-	9,757	9,757	3,643
Polden Puckham Charitable Trust	-	6,000	6,000	-
Consultancy	38,558	-	38,558	51,320
Total supply chains/sustainable agriculture	38,558	19,847	58,405	58,366
Information Provision				
Tolkien Trust	-	30,000	30,000	-
Total for information provision	-	30,000	30,000	-
Total income from charitable activities	38,558	489,359	527,917	438,522

5 Income from other trading activities

			2017	2016
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Publication sales and subscriptions	95	-	95	125
Other trading activities	497	-	497	112
	592	-	592	237

6 Income from investments

			2017	2016
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Bank interest	3	-	3	5
	3	-	3	5

Pesticide Action Network UK

Notes to the financial statements

For the year ended 31 December 2017

7 Analysis of expenditure

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

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

Pesticide Action Network UK
Notes to the financial statements
For the year ended 31 December 2017

8 Net income / (expenditure) for the year

This is stated after charging / (crediting):	2017	2016
	£	£
Operating lease rentals:		
Property	17,277	16,513
Other equipment	780	609
Auditor's remuneration	4,000	4,000
Foreign exchange (gains) / losses	(4,218)	(4,545)

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

Staff costs were as follows:	2017	2016
	£	£
Salaries and wages	231,496	202,956
Social security costs	23,612	18,104
Employer's contribution to defined contribution pension schemes	7,353	4,208
	262,461	225,268

No employee earned more than £60,000 during the year (2016: nil)

The total employee benefits including pension contributions of the key management personnel were £53,642 (2016: £50,916).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2016: £nil) neither were they reimbursed expenses during the year (2016: £nil). No charity trustee received payment for professional or other services supplied to the charity (2016: £nil).

Staff numbers

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

	2017	2016
	No.	No.
Charitable activities	6	6
Support	1	1
	7	7

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 2017

11 Tangible fixed assets

	Furniture, fittings and equipment	Total
	2017	2017
	£	£
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

	2017	2016
	£	£
Trade debtors	11,585	3,205
Other debtors	1,126	1,000
Prepayments	363	563
Accrued income	33,527	9,482
	46,601	14,250

13 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	690	1,673
Taxation and social security	-	6,337
Other creditors	-	119
Accruals	4,171	4,214
	4,861	12,343

14 Pension scheme

The charity's pension policy is to make contributions to individual employee personal pension schemes of up to 4% of the individual's gross salary, which must be matched by an employee contribution of at least 1%. Various independent managers, chosen by the employees partaking in the scheme, manage the funds

Pesticide Action Network UK
Notes to the financial statements
For the year ended 31 December 2017

15 Analysis of net assets between funds

	General £	Restricted £	Total funds £
Tangible fixed assets	-	-	-
Net current assets	84,793	180,435	265,228
Long term liabilities	-	-	-
Net assets at the end of the year	84,793	180,435	265,228

16 Movements in funds

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

Purposes of restricted funds

Reductions of pesticide use in the UK

This project works to influence UK policy to reduce pesticide use by engaging with government, progressive retailers, crop advisers 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 local 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. PAN UK works to collect information human health and environmental problems associated with pesticide use and shares this information with national and global policy-makers to assist them in effective regulation of these chemicals.

Sustainable cotton

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

Pesticide Action Network UK
Notes to the financial statements
For the year ended 31 December 2017

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

	2017	2016
	£	£
Net income / (expenditure) for the reporting period	77,343	9,329
(as per the statement of financial activities)		
Depreciation	-	-
Interest, rent and dividends from investments	(3)	(5)
Gains/ (losses) on investments	-	-
(Loss)/ profit on the sale of fixed assets	-	-
(Increase)/ decrease in stock	-	-
(Increase)/ decrease in debtors	(32,351)	2,015
Increase/ (decrease) in creditors	(7,482)	1,954
Net cash provided by / (used in) operating activities	37,507	13,293

18 Analysis of cash and cash equivalents

	At 1 January		Other	At 31
	2017	Cash flows	changes	December
	£	£	£	2017
				£
Cash at bank and in hand	185,978	37,510	-	223,488
Total cash and cash equivalents	185,978	37,510	-	223,488

19 Operating lease commitments

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

	Property		Equipment	
	2017	2016	2017	2016
	£	£	£	£
Less than 1 year	17,277	16,509	609	609
1 - 5 years	-	-	203	812
	17,277	16,509	812	1,421

20 Contingent assets or liabilities

There are no contingent assets or liabilities existing.

Pesticide Action Network UK
Notes to the financial statements
For the year ended 31 December 2017

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

There are no related party transactions to disclose for 2017 (2016: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.