

Food from Britain Annual Report and Accounts 2009-10

Presented to Parliament, the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly pursuant to Section 5(7) of the Agricultural Marketing Act 1983

Ordered by the House of Commons to be printed on 16th February 2011

Laid before the Scottish Parliament by the Scottish Ministers on 16th February 2011

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Any enquiries regarding this publication should be sent to us at Food from Britain Sponsorship Team, Food and Farming Group, Defra, Area 8E, 9 Millbank, c/o Nobel House, 17 Smith Square, London SW1P 3JR.

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Annual Report	3
Statement of Accounting Officer's Responsibilities	5
Remuneration Report	6
Statement on Internal Control	7
The Certificate of the Comptroller and Auditor General	8
The Report of the Comptroller and Auditor General	9
Income and Expenditure Account	10
Balance Sheet	11
Cash Flow Statement	12
Notes to the Accounts	13
Annex A – Accounts Direction	19
Annex B – FFB Council	20

Annual Report

History and statutory background

Food from Britain (FFB) came into existence on 23rd March 1983. It was established as a Non-Departmental Public Body (NDPB) by the Agricultural Marketing Act 1983 to organise, develop, promote, encourage and coordinate the marketing in the United Kingdom (UK) and elsewhere of UK agricultural and horticultural produce, fish (other than sea fish) and fish products and any other food produced or processed in the UK. FFB later focused on promoting exports and assisting the marketing of quality regional food.

Closure of FFB

On 26th March 2008, the then Secretary of State for Environment, Food and Rural Affairs announced in a written Ministerial Statement to Parliament that a decision had been reached to wind down FFB's activities. FFB ceased operations on 31st March 2009. Its responsibilities were transferred to Defra and 17 staff were made redundant. 4 staff members, plus the Chief Executive and Accounting Officer, John Adams, remained in post until 30th June 2009 in order to work with Defra to complete the closedown process and to finalise FFB's accounts. More detail on the winding down of FFB can be found in the 2008-09 Annual Report and Accounts.

Legislative dissolution of FFB

As the Agricultural Marketing Act 1983 does not provide for FFB's abolition, primary legislation is required before FFB can be dissolved in law. This is a matter Defra is taking forward. Responsibility for FFB's residual assets and liabilities following the cessation of FFB's activities has subsequently passed to the Secretary of State for Environment, Food and Rural Affairs.

FFB legacy

Following the cessation of FFB's activities, Defra has ensured advice and support to UK food and drink exporters continues to be made available. This includes assistance from UK Trade & Investment, as well as Scottish Development International, International Business Wales and Invest Northern Ireland. In addition, FFB's former network of International Offices will continue to offer expert advice on the markets they cover. The Food and Drink Federation continues to host a webpage which signposts the main organisations that continue to offer export support to British food and drink companies (www.fdf.org.uk/exports). Those attempting to access www.foodfrombritain.com are directed to this site. The redirection service is managed by Defra. FFB's former work on Protected Food Names continues to be undertaken by ADAS UK Limited under a contract from Defra.

Basis and preparation of Annual Report and Accounts

Following the cessation of FFB's activities, the Secretary of State for Environment, Food and Rural Affairs is responsible¹ for the preparation of these and any subsequent Annual Reports and Accounts.

These accounts cover residual expenditure following cessation of FFB's activities. As a result they have been prepared on a discontinued basis. The accounts have been prepared, in the form directed by Secretary of State for Environment, Food and Rural Affairs, the Minister for Environment and Rural Development in the Scottish Executive, the Minister for Environment, Planning and Countryside in the Welsh Assembly, and the Minister for Agriculture and Rural Development in Northern Ireland, with the approval of the Treasury, in accordance with the Agricultural Marketing Act 1983, as amended.

Management

FFB was governed by a non-executive Council. Each Member was appointed by Ministers for a three year term of office (subject to review). Day to day management was under the control of the Chief Executive and a team of managers.

During the period April to June 2009, the appointments of the Chairman and three Council Members continued in order that they could oversee the winding down of FFB. The Council did not meet in this period but the Audit Committee met twice. The three remaining Council Members were members of FFB's Audit Committee.

Council Chairman

Lady Jay (Sylvia) CBE (until 30th June 2009)

Members who served during the year

David Croisdale-Appleby OBE,
Marie Francis OBE, Ian Martin
(all until 30th June 2009)

Relevant Information on Members' Interests is available from Defra, Area 8E, Millbank, c/o Nobel House, 17 Smith Square, London SW1P 3JR.

Employees

FFB had adopted a Code of Conduct for Staff as recommended by Government for use by Non-Departmental Public Bodies.

In addition to the Chief Executive, four members of staff were retained beyond 31st March 2009 to manage the closure of FFB. These staff were given notice of redundancy on 30th September 2008, with a termination date of 30th June 2009.

Freedom of Information Act

Under the Freedom of Information Act 2000, which came into force on 1st January 2005, anybody may request information from a public authority which has functions in England, Wales and/or Northern Ireland. The Act requires that all requests are in writing (this does include emails), states clearly what information is required and states the names of the applicant, and an address for correspondence. Written requests should be addressed to Defra, Area 8E, Millbank, c/o Nobel House, 17 Smith Square, London SW1P 3JR.

¹ Under Clause 2 of the Deed of Transfer between FFB and the Secretary of State for Environment, Food and Rural Affairs, Defra took on the business of FFB.

Payment policy

It was the policy of FFB to pay suppliers for goods supplied and liabilities incurred in accordance with the terms of payment reached with each individual supplier. This policy has been adhered to throughout the year. In addition to this, every effort has been made to ensure that all suppliers have been paid in full prior to the year end.

Auditor

FFB's auditor is the Comptroller and Auditor General. The audit fee for 2009-10 was £15,000. There was no remuneration for non-audit services.

Financial Review

The 2008-09 accounts were prepared on a discontinued basis. The expenditure relating to 2009-10 relates solely to the residual costs incurred in closing FFB's operations. FFB closed its bank account on 31st May 2009 and balances were transferred to Defra. Transactions from 1st June 2009 were processed by Defra's accounting system.

Retirement benefits scheme

The 2008-09 Annual report explained that in May 2008 Defra accepted responsibility for the residual liability of the FFB Pension Scheme. Subsequently, a decision was taken to purchase bulk annuities from an insurance company which would form the basis of contracts between individual Scheme members and the company concerned. Following a tender, the Scheme Trustees awarded a contract for £18.4m to Pension Insurance Corporation (PIC) on 30th March 2009. The contract was signed on 8th April 2009 and the Scheme's pension assets and liabilities were transferred to PIC on that date. In anticipation of the trustees signing the contract, Defra provided FFB with £6.7m which was then transferred to the trustees on 6th April 2009. These funds were applied, together with the Scheme's own funds, to pay an initial premium to PIC on 9th April 2009 of £14.4m. The trustees made an interim payment of £2.3m to PIC on 16th April 2009 following receipt of £2,293,514 from the previous annuity provider (Clerical Medical) arising from the surrender of the non-escalating annuities. As a result of a data cleansing exercise undertaken by PIC, the contract price was adjusted to £17,974,863 and the balance of £1,274,863 was paid to PIC on 9th December 2009. PIC's agent, Xaffinity Paymaster, took over responsibility for pensioner payments from Clerical Medical

in August 2009. On 1st July 2009, the Secretary of State for Environment, Food and Rural Affairs became the new Principal Employer by deed of substitution.

The trustees triggered wind up of the scheme on 27th October 2009 and a deed of winding up came into effect on 29th March 2010. The Pension Regulator has been kept informed of developments.

Events since the Balance Sheet date

There have been no circumstances or events subsequent to the year end which require adjustment or disclosure in the accounts or in the notes thereto.

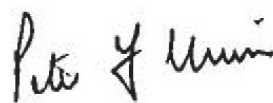
Financial Reporting Standard 21: Events after the balance sheet date requires FFB to disclose the date on which the accounts are authorised for issue. The authorised date for issue is 7th February 2011.

Disclosure of audit information to the Comptroller and Auditor General

So far as the Accounting Officer is aware, there is no relevant audit information of which the Comptroller and Auditor General is unaware. The Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any audit information and to establish that the Comptroller and Auditor General is aware of that information.

Enquiries

All enquiries about this report, other than copyright, should be addressed to Defra, Food from Britain Sponsorship Team, Area 8E, Millbank, c/o Nobel House, 17 Smith Square, London SW1P 3JR.



Peter Unwin CB

Acting Permanent Secretary
Department for Environment,
Food and Rural Affairs
31st January 2011

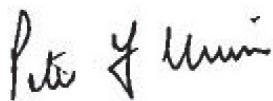
Statement of Accounting Officer's Responsibilities

As Accounting Officer for the Department for Environment, Food and Rural Affairs it falls to me to sign the accounts for Food from Britain in the absence of a Chief Executive. This is consistent with the guidance found within *Managing Public Money* published by HM Treasury.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- observe the Accounts Direction issued jointly by the Secretary of State and Ministers of the devolved administrations and as agreed by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards, as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on an appropriate basis. For 2009-10 this was on a discontinued basis.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding FFBs assets are set out in *Managing Public Money*.



Peter Unwin CB
Acting Permanent Secretary
Department for Environment,
Food and Rural Affairs
31st January 2011

Remuneration Report

Remuneration Committee

FFB's Remuneration Committee did not meet during 2009-10. Its members, other than Lady Sylvia Jay, the Chairman of Council, left the Council on 31st March 2009.

At its last meeting, on 18th November 2008, the Remuneration Committee (among other items of business) formally approved the extension of the Chief Executive's contract to 30th June 2009, the basis of his pay from 1st April and his terminal bonus at 30th June.

Policy on the remuneration of the Council and Chief Executive

The remuneration of the Chairman of Council was determined by Defra. The remuneration for 2009-10 was £55,484 per annum (2008-09: £53,350 per annum).

The remuneration for each Council member was determined by Defra. The remuneration for 2009-10 was £1968 per annum (2008-09: £1896 per annum), £246 of which was paid as a retainer each quarter (2008-09: £237 each quarter), with a further £246 (2008-09: £237) being paid for attendance at each relevant meeting.

The Chief Executive's salary and conditions of service were determined by the Chairman of Council, but take into account consultations with Defra (on behalf of the devolved administrations). The salary is reviewed annually. The remuneration for 2009-10 was £135,204 per annum (2008-09: £130,000).

Proportion of remuneration which is subject to performance conditions

None of the remuneration of any Council Member was subject to performance conditions.

In common with other FFB staff retained beyond 31st March 2009 to manage closure, the Chief Executive was eligible for a bonus of 5% of basic pay for remaining until 30th June. This amount was not subject to performance conditions.

Pension arrangements

The Chief Executive was not a member of the FFB Retirement Benefits Scheme. Employer contributions of £3,042 (9% of pensionable salary) have been paid into a defined contribution scheme in respect of 2009-10 (2008-09: £14,742 including an accrued amount of £3,042).

Benefits in kind

The Chief Executive was entitled to a car allowance of £6,000 per annum (2008-09: £6,000 per annum). £1,500 in respect of

the period 1st April 2009 to 30th June 2009 was accrued for in the 2008-09 accounts.

Remuneration of the Council Members and Chief Executive – Audited

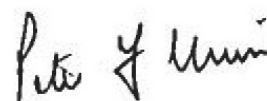
See tables below.

Policy on duration of contracts and notice periods and termination payments.

Ministers have the right to terminate the appointment of a Council Member for any of the reasons specified in the Agricultural Marketing Act 1983 (Schedule 1, paragraph 4(4)). Council Members may resign by notice given in writing to the Secretary of State or other Ministers if appropriate. No notice period is required and no termination payments apply.

The Chief Executive's service contract was terminable by either party and required three months notice or payment in lieu of notice. The contract expired on 30th June 2009.

In addition to the Chief Executive, four members of staff were retained beyond 31st March 2009 to manage closure. These staff were given notice of redundancy on 30th September 2008, with a termination date of 30th June. Redundancy payments were made in accordance with the contractual entitlements of the individual members of staff concerned and amounted to £84k. This amount was included within the £458k redundancy payments disclosed in the 2008-09 accounts. There were no payments in lieu of notice. The four members of staff were also eligible for retention payments of 5% of base salary, paid in June 2009.



Peter Unwin CB
Acting Permanent Secretary
Department for Environment,
Food and Rural Affairs
31st January 2011

Council members' remuneration	2009-10 (£)	2008-09 (£)	Accounted for in 2008-09
Lady Jay (Sylvia) CBE	13,872	53,350	67,222
David Croisdale-Appleby OBE	738	2,370	3,108
Marie Francis OBE	738	2,607	3,345
Ian Martin	738	2,370	3,108

Chief Executive's remuneration	Salary (£)	Bonus (£)	Car allowance (£)	2009-10 total (£)	2008-09 total (£)	Accounted for in 2008-09
John Adams	42,381*	6,760	1,500	50,641*	149,000	191,061

*includes paid holiday leave of £8,580 which was not accrued for in the 2008-09 accounts.

Statement on Internal Control

Scope of Responsibility

Food from Britain (FFB) ceased business on 31st March 2009. FFB's annual report and accounts for 2008-09 were prepared and audited in the usual way, and were laid before Parliament on 11th June 2009. Responsibility for preparation of FFB's accounts for 2009-10 rests with myself. That includes preparation of the Statement of Internal Control.

The appointments of those members of Council and staff who remained to oversee closure ended on 30th June 2009. They provided me with assurance to allow me to discharge my responsibilities. The Chief Executive of FFB also provided me with an interim statement on internal control. I would refer you to the 2009-10 Consolidated Resource Accounts of Defra for a full statement of my responsibilities.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of FFB policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in FFB and Defra for the period to 31st March 2010, and accords with HM Treasury guidance.

Capacity to handle risk

Strategic leadership for risk management in FFB was provided by the Audit Committee, which considered risk management at both its meetings during the period, on 21st May and 12th June 2009.

The FFB Chief Executive and Head of Finance reviewed risks regularly during the interim period.

Remaining members of FFB staff were encouraged to embed the consideration of risk into their day-to-day work and responsibilities. In April 2009, the Chief Executive and Head of Finance conducted a thorough review of the remaining risks affecting the organisation following the ceasing of business on 31st March 2009. The resulting risk register was then subject to further formal monthly reviews in May

and June. The June 2009 version was passed to Defra, following review at the Audit Committee.

The risk and control framework

FFB was controlled by an independent Council appointed jointly by the Ministers. They were appointed and operated in accordance with the Nolan Committee's First Report on Standards in Public Life.

During the period April to June 2009, the appointments continued of the Chairman and three Council members. Although this was below the minimum number of Members as required by the Agricultural Marketing Act 1983, paragraph 3 of Schedule 1 to the Act provides for the Council to function when vacancies exist. At its meeting on 10th March 2009, Council agreed that it would not plan to meet again, but that Audit Committee would remain active in overseeing closure, including the preparation of the 2008-09 accounts and auditing of 2009-10 transactions.

From 1st April 2009, the Chairman continued to be available to any member of the public wishing to pursue any complaint. And records of meetings, plans, budgets, etc. have remained available to the public from FFB, subject to the protection of commercial confidentiality. Key documents have been passed to Defra for retention, and are available via them.

The Members of FFB's **Audit Committee** were non-executive Council Members appointed by the Council for the remaining duration of their Council term. Membership for the period 1st April to 30th June 2009 consisted of Professor David Croisdale-Appleby OBE (Chair), Marie Francis OBE and Ian Martin.

The Audit Committee received reports on the Internal and External Auditors' findings of FFB's affairs, and maintained oversight of internal accounting and financial procedures.

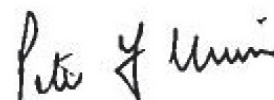
Review of effectiveness

Attention is drawn to the following key features of FFB's control environment during the period:

- the contract of Baker Tilly, FFB's Internal Auditors, was extended until 30th June 2009 but there was no need for them to undertake any work in the period. Internal audit made no findings as a result of their 2008-09 work; their 2008-09 annual report found 'adequate

and effective risk management control and governance, which was the highest grade of opinion that could be given;

- at their November 2008 meeting, FFB's Audit Committee approved proposals under which FFB's external auditors would perform a programme of work relating to FFB's activities and transactions for the period from 1st April to 31st May 2009, together with the payment of the remaining cash balance to Defra. This work has been completed and was reported to Audit Committee on 12th June;
- FFB staff continued to work closely with Defra on a wide range of matters, including governance (preparation of the Deed of Transfer), financial issues (including the mechanism for making and receiving payments after the closure of FFB's bank account in early June); documents and records to be retained; and disposal of the FFB pension scheme, where Defra became the Principal Employer for all residual purposes connected with the scheme from 1st July 2009 until wind-up.
- particular care was taken in disposing of FFB's office and IT equipment. The approach was overseen by Defra and the NAO was consulted in advance. Equipment was offered first to the Committee on Climate Change (CCC), the NDPB which has taken over FFB's London accommodation. FFB staff were invited to submit sealed bids for what remained; equipment that was not bid for, or where the bids failed to reach the reserve price, was disposed of. The hard disks of all IT equipment were wiped or destroyed, under the supervision of FFB's IT contractor. As part of this, FFB's client data system, previously shared with FFB's International Offices, was abolished;
- there have been no personal data related incidents in the period since 1st April 2009.



Peter Unwin CB
Acting Permanent Secretary
Department for Environment,
Food and Rural Affairs
31st January 2011

The Certificate of the Comptroller and Auditor General to the Houses of Parliament, the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly

I certify that I have audited the financial statements of Food from Britain for the year ended 31st March 2010 under the Agricultural Marketing Act (1983). These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to Food from Britain's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Food from Britain; and the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on Financial Statements

In my opinion:

- the financial statements give a true and fair view of the state of Food from Britain's affairs as at 31st March 2010 and of its net expenditure and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the Agricultural Marketing Act (1983) and HM Treasury's directions made thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Treasury directions issued under the Agricultural Marketing Act (1983); and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Emphasis of Matter

Without qualifying my opinion, I draw attention to Note 1 of the financial statements. Food from Britain ceased operations on 31st March 2009 and the Council and Accounting Officer prepared discontinued accounts for the financial year 2008-2009. Dissolution of the entity will occur once legislation is formally enacted and until that time responsibility for preparation of the accounts rests with Defra and Defra's Accounting Officer. The accounts for 2009-2010 have also been prepared on a discontinued basis and reflect only the discharge of residual responsibilities.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or

- the financial statements are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

Report

My report on these financial statements is on page 9.

Amyas C E Morse

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP
7th February 2011

The Report of the Comptroller and Auditor General to the Houses of Parliament, the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly

Introduction

Food from Britain was established as a Non-Departmental Body (NDPB) under the Agricultural Marketing Act 1983. The then Secretary of State for Environment, Food and Rural Affairs announced that the organisation was to be wound up on 26 March 2008 and the organisation subsequently ceased operations on 31 March 2009. As a result of this announcement the 2008-2009 and 2009-2010 financial statements were produced on a discontinued basis and the governing Council reviewed all assets and liabilities to ensure that they were appropriately valued.

The Government intends, as soon as Parliamentary time is available, to repeal the Act of Parliament under which Food from Britain operated. Until such time the Department of Environment, Food and Rural Affairs has assumed responsibility for preparing annual reports and accounts for the discontinued activities of Food from Britain.

Purpose of Report

The purpose of this Report is to provide additional information in support of the closure of Food from Britain including the distribution of the assets and liabilities of the organisation. I have provided an unqualified audit opinion on both the 2008-2009 and 2009-2010 financial statements.

My obligations as Auditor

Under the Agricultural Marketing Act 1983, I am required to examine, certify and report on Food from Britain's financial statements. In so doing, I am required to satisfy myself that, in all material respects, the expenditure and income of Food from Britain have been applied to the purposes intended by Parliament and conform to the authorities that govern them.

Closure of Food from Britain

The 2008-2009 financial statements were prepared on a discounted basis. Under this basis of accounting Food from Britain accrued for all expenditure which could be foreseen up to the official closure date of 30 June 2009. This included the salary and redundancy costs of staff that were retained up to this date. Food from Britain had disposed of all tangible fixed assets by 31 March 2009.

Distribution of Assets and Liabilities

Food from Britain received grant in aid from the Department for Environment, Food and Rural Affairs for the first two months of 2009-2010. This included cash for the settlement of the pension annuity purchase of £1,259,818. Following closure of the Food from Britain bank account on 31 May 2009 payments were made directly by the Department. These payments have been disclosed as non-cash grant-in-aid in the accompanying financial statements.

I am satisfied that the assets and liabilities as disclosed in the 2009-2010 accounts were discharged correctly and I have therefore provided an unqualified audit opinion on Food from Britain's 2009-2010 financial statements.

Amyas C E Morse

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP
7th February 2011

Income and Expenditure Account

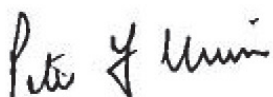
for the year ended 31 March 2010

	Note	2009-10 £	2008-09 £
Income			
Exhibitions and Events	3	–	1,719,012
Other activities	5	–	287,318
Total income		–	2,006,330
Expenditure			
International Network	4	–	(1,901,883)
Exhibitions and Events	3	–	(1,954,551)
Regional Food Activity		–	(78,641)
Other activities	5	–	(1,096,587)
Operating expenditure		–	(5,031,662)
Staff costs	7	(11,697)	(713,258)
Administrative costs	8	(25,331)	(305,473)
Total expenditure		(37,028)	(6,050,393)
Net expenditure		(37,028)	(4,044,063)
All expenditure relates to the costs involved in wind up of FFB			
Settlements and curtailments	13	385,348	(7,140,818)
Other finance income	6	–	205,217
Notional cost of capital		–	87,903
Net expenditure on ordinary activities before taxation		–	(10,891,761)
Taxation	9	–	(8,866)
Net expenditure on ordinary activities after taxation		–	(10,900,627)
Reversal of notional cost of capital		–	(87,903)
Retained surplus/(deficit) for the year	15	348,320	(10,988,530)
Statement of Recognised Gains and Losses			
Pension actuarial loss	15	–	(1,314,414)
Capital grant to purchase fixed assets		–	–
Depreciation and loss on disposals	15	–	(41,998)
Total		–	(1,356,412)

Balance Sheet

as at 31 March 2010

	Note	2009-10 £	2008-09 £
Fixed Assets			
Tangible Assets	10	-	-
Current Assets			
Debtors	11	-	102,234
Cash at bank and in hand	16	-	546,931
			649,165
Current liabilities			
Amounts falling due within one year	12	-	(6,926,725)
Net current (liabilities)/assets			
Pension (liability)/asset		-	-
Provisions for liabilities and charges	13	-	(1,383,884)
Net total (liabilities)/assets			
		-	(7,661,444)
Financed by			
General Reserve	15	-	(7,661,444)
Pension Reserve		-	-
Government Grant Reserve		-	-
		-	(7,661,444)



Peter Unwin CB

Acting Permanent Secretary
Department for Environment,
Food and Rural Affairs
31st January 2011

Cash Flow Statement

for the year ended 31 March 2010

	Note	2009-10 £	2008-09 £
Reconciliation of net expenditure to net cash outflow from operating activities			
Net expenditure		(37,028)	(4,044,063)
Pension service costs		–	(50,414)
Decrease/(increase) in debtors		102,234	433,023
(Decrease)/increase in creditors and provisions – excluding amounts relating to Scheme disposal	14	(6,839,945)	(1,058,603)
Net cash outflow from operating activities		(6,774,739)	(4,720,057)
Returns on investments and servicing of finance			
Interest received		–	42,217
Taxation			
Corporation tax paid		–	(18,195)
Financing			
Grant-in-aid-from Defra	2	6,700,000	4,000,000
Transfer of cash balances to Defra		(472,192)	
Transfer from liquid reserves		–	1,000,000
Increase/(decrease) in cash		(546,931)	303,965
Reconciliation of net cash flow to movement in net funds:			
Increase/(decrease) in cash		(546,931)	303,965
Transfer from liquid reserves		–	(1,000,000)
Net funds at 1st April		546,931	1,242,966
Net funds at 31st March	16	–	546,931

Notes to the Accounts

1. ACCOUNTING POLICIES

These accounts cover residual expenditure following cessation of FFB's activities. As a result they have been prepared on a discontinued basis. These accounts have been prepared in the form directed by Secretary of State for Environment, Food and Rural Affairs, the Minister for Environment and Rural Development in the Scottish Executive, the Minister for Environment, Planning and Countryside in the Welsh Assembly, and the Minister for Agriculture and Rural Development in Northern Ireland, with the approval of the Treasury, in accordance with the Agricultural Marketing Act 1983, as amended. A copy of the accounts direction is attached at Annex A to the notes to the accounts.

2. GOVERNMENT GRANTS

	2009-10	2008-09
	£	£
Grant-in-aid from Defra	7,313,124	4,000,000
Non cash grant-in-aid from Defra in respect of settlement of liabilities	(613,124)	–
Grant-in-aid disclosed in the cash flow statement	(6,700,000)	4,000,000

3. EXHIBITIONS AND EVENTS

	2009-10	2008-09
	£	£
Grants receivable from UKT&I for exhibitors	–	164,800
Grants receivable from UKT&I for FFB	–	43,200
Total grant income from UKT&I	–	208,000
Income from exhibitors and delegates	–	1,511,012
Total income	–	1,719,012
UKTI funds payable to exhibitors	–	164,800
Staff costs allocated (Note 7)	–	371,635
Other costs	–	1,418,116
Total expenditure	–	1,954,551

4. INTERNATIONAL NETWORK

	2009-10	2008-09
	£	£
Total fees and project funding paid to the International Network		
Belgium	–	232,906
France	–	237,650
Germany/Switzerland/Austria	–	244,911
Italy	–	230,626
Nordic	–	231,105
North America	–	199,628
Portugal	–	76,027
Spain	–	236,264
The Netherlands	–	212,766
Total	–	1,901,883

5. OTHER ACTIVITIES

	2009-10	2008-09
	£	£
Fast track		
Research and Marketing Services	–	(69,141)
Development Markets	–	(232,414)
Client Development	–	(267,349)
Corporate Communications	–	(240,365)
Other	–	–
Total*	–	(809,269)

*The total expenditure on Other Activities is shown net of income of £287,318.

6. OTHER FINANCE INCOME

	2009-10	2008-09
	£	£
Bank interest receivable	–	42,217
Pension fund interest receivable	–	163,000
Total	–	205,217

7. STAFF COSTS

	2009-10	2008-09
	£	£
Council Members remuneration (Note 7b)	–	95,423
Staff salaries including amounts payable for redundancy, payments in lieu of notice and bonus payments	11,165	1,370,173
Social Security costs	532	88,293
Pension service costs (Note 15)	–	121,000
Pension service costs*	–	14,742
Total	11,697	1,689,631

*The annual accounts for 2008-09 included an amount of £3,042 for the period 1st April to 30th June 2009.

In pursuance of activity based costing, staff costs have been allocated to activities as follows:

	2009-10	2008-09
	£	£
Exhibitions and Events	–	371,635
Development Markets	–	83,251
Research and Marketing Services	–	137,919
Fast track	–	–
Client Development	–	152,014
Corporate Communications	–	179,612
Regional Food Activity	–	51,942
Allocated to operating expenditure	–	976,373

Council	–	103,148
Chief Executive's Office	11,593	308,630
Finance & Administration	104	301,480
International Office Management	–	–
Allocated as overhead expenditure	11,697	713,258
Grand total	11,697	1,689,631

(a) The actual/average (for 08-09) number of employees and Council Members during the year was	2009-10	2008-09
Employees	5	20
Council Members	4	11
Total	9	31

	2009-10	2008-09
(b) Council Members' remuneration	£	£
Lady Jay (Sylvia) CBE*	–	67,222
Timothy Bennett	–	1,896
John Bevington	–	7,347
Vincent Craig	–	154
David Croisdale-Appleby**	–	3,108
David Dobbin CBE	–	1,422
Christine Dunn	–	1,896
Marie Francis OBE	–	3,345
Alan Hardie	–	2,370
Ian Martin**	–	3,108
Brian Morgan	–	1,659
Julian Wild	–	1,896
Total	–	95,423

*The 2008-09 accounts included an amount of £13,872 for the period 1st April to 30th June 2009

**The 2008-09 accounts included an amount of £738, for the period 1st April to 30th June 2009

(c) Directors' remuneration

			Car allowance	2009-10	2008-09
Year to 31st March 2009	Salary	Bonus	allowance	Total	Total
	£	£	£	£	£
John Adams*	8,580	–	–	–	191,061
Total	–	–	–	–	191,061

*The 2008-09 accounts included an amount of £42,061 for the period 1st April to 30th June 2009

8. ADMINISTRATIVE COSTS

	2009-10	2008-09
	£	£
Include the following:		
Auditors remuneration for audit services	15,000	30,000
Other operating lease	–	237,500
(decrease)/increase in provision for operating lease (note 13)	–	(380,000)
Increase in provision for Euroterroirs (Note 13)	–	35,558
Depreciation and loss on fixed assets (Note 10)	–	41,998
Release from Government Grant Reserve (Note 15)	–	(41,998)
Net exchange (gains)/losses	1,498	(2,167)
Miscellaneous	8,833	384,582
Total	25,331	305,473

9. TAXATION

	2009-10	2008-09
	£	£
Corporation tax on interest receivable @ 21%	–	8,866
Taxation for the current year	–	8,866

10. TANGIBLE FIXED ASSETS

All remaining tangible assets of Food from Britain had been written down to nil net book value and disposed of by the 2008-09 year end.

11. DEBTORS

	2009-10	2008-09
	£	£
Trade debtors	–	24,670
Other debtors	–	77,564
Pre-payments and accrued income	–	–
Total	–	102,234

12. CREDITORS

	2009-10	2008-09
	£	£
Trade creditors	–	35,306
Corporation Tax	–	8,866
Other creditors	–	762
Accruals and deferred income	–	6,881,791
Total	–	6,926,725

13. PROVISIONS FOR LIABILITIES AND CHARGES

	Scheme disposal	ACP's	Redundancy and payment in lieu of notice	2009-10 Total
	£	£	£	£
At 1st April	1,259,818	40,182	83,884	1,383,884
Increase/(Decrease) in provision	(385,348)	–	–	(385,348)
Liability discharged in year	(874,470)	(40,182)	(83,884)	(998,536)
As at 31st March	–	–	–	0

Scheme disposal

The 2008-09 accounts estimated that a Premium Adjustment Amount to be paid Pension Insurance Corporation (PIC) following the completion of due diligence would be required from Defra. However, due to changes in the market the actual cost was less than that anticipated.

Annual Compensation Payments

Following the redundancies in March 2009, one member of staff was eligible for Annual Compensation Payments up to their normal retirement age. It was anticipated that this liability would be transferred to PIC as part of the contract to purchase bulk annuities but after due consideration it was agreed that Defra would take responsibility in the short term. A liability of £38,627 was therefore transferred to Defra.

Redundancy and payment in lieu of notice

Redundancy payments of £83,884 were paid in June 2009.

14. MOVEMENT ON LIABILITIES

	2009-10
	£
Total (Decrease)/increase in creditors and provisions	(8,310,609)
Creditors and provisions transferred to or settled by Defra	1,470,664
Decrease in creditors and provisions disclosed in the cash flow statement	(6,839,945)

15. MOVEMENT ON RESERVES

	2009-10	2008-09
	£	Total
	£	£
As at 1st April	(7,661,444)	683,498
(Deficit)/Surplus for the year	348,320	(10,988,530)
Depreciation and loss on disposals	–	(41,998)
Pension actuarial loss	–	(1,314,414)
Grant-in-aid received towards resource expenditure (Note 2)	7,313,124	4,000,000
As at 31st March	–	(7,661,444)

16. MOVEMENT IN NET FUNDS

	At 1st April 2009	Cash Flow	At 31st March 2010
	£	£	£
Cash at bank and in hand	546,931	(546,931)	–
Money on deposit	–	–	–
Total	546,931	(546,931)	–

17. RELATED PARTY TRANSACTIONS

With the exception of Grant-in-aid received from Defra, there were no related party transactions.

18. EVENTS SINCE THE BALANCE SHEET DATE

Details of events since the Balance Sheet Date can be found in the annual report.

19. FINANCIAL INSTRUMENTS

FRS 25, 26 and 29, Financial Instruments, require disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. There were none for FFB during 2009-10.

	2009-10	Loans and receivables	2008-09
	£	£	£
Assets as per balance sheet			
Trade debtors	–	24,670	24,670
Other debtors	–	22,012	22,012
Cash at bank and in hand	–	546,931	546,931
Total	–	593,613	593,613

	2009-10	Financial Liabilities	2008-09
	£	£	£
Liabilities as per balance sheet			
Trade creditors	–	35,306	35,306
Trade debtors	–	762	762
Accruals	–	6,881,791	6,881,791
Total	–	6,917,859	6,917,859

Annex A – Accounts Direction

FOOD FROM BRITAIN

ACCOUNTS DIRECTION GIVEN JOINTLY BY THE SECRETARY OF STATE FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS, THE MINISTER FOR ENVIRONMENT AND RURAL DEVELOPMENT IN THE SCOTTISH EXECUTIVE, THE MINISTER FOR ENVIRONMENT, PLANNING AND COUNTRYSIDE IN THE WELSH ASSEMBLY, AND THE MINISTER FOR AGRICULTURE AND RURAL DEVELOPMENT IN NORTHERN IRELAND, WITH THE APPROVAL OF THE TREASURY, IN ACCORDANCE WITH THE AGRICULTURAL MARKETING ACT 1983, AS AMENDED.

The annual accounts shall give a true and fair view of the income and expenditure and cash flows for the financial year, and the state of affairs as at the year end. Subject to this requirement Food from Britain shall prepare accounts for the financial year ended 2010 in accordance with:

- a) Government Financial Reporting Manual FreM 2008-09;
- b) Other guidance which the Treasury may issue from time to time in respect of accounts which are required to give a true and fair view;
- c) Any other specific disclosures required by the Secretary of State; except where agreed otherwise with the Treasury, in which case the exception shall be described in the notes to the accounts.

Signed by authority of the Secretary of State for the Department for Environment, Food and Rural Affairs.



The Rt Hon Caroline Spelman MP
14th June 2010

Annex B – FFB Council

Chairman	Lady Jay (Sylvia) CBE	Appointment completed 30th June 2009
Members	David Croisdale-Appleby	Appointment completed 30th June 2009
	Marie Francis OBE	Appointment completed 30th June 2009
	Ian Martin	Appointment completed 30th June 2009
Audit Committee		
Chair	David Croisdale-Appleby	Appointment completed 30th June 2009
Members	Marie Francis OBE	Appointment completed 30th June 2009
	Ian Martin	Appointment completed 30th June 2009
Remuneration Committee members		
	Lady Jay (Sylvia) CBE	Appointment completed 30th June 2009



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