

The East of England Development Agency

**Report and Accounts
for the period 1 April 2012 to 30 June 2012**

The East of England Development Agency

Report and Accounts for the period 1 April 2012 to 30 June 2012

Presented to Parliament pursuant to section 15(2) and
section 17(3) of the Regional Development Agencies Act 1998

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Introduction by the Accounting Officer

These accounts cover the final three month period leading up to the abolition of the East of England Development Agency ("the Agency") on 1 July 2012.

The Agency ceased operations on the transfer of all remaining operational activity to the Department for Business, Innovation and Skills (BIS) on 30 March 2012. The results for the last year of operations are set out in the Agency's 2011/12 Annual Report and Accounts which were published in June 2012.

In the final three month period a small number of Agency staff remained in post to complete the Agency's Annual Report and Accounts for 2011/12, to prepare a draft Report and Accounts for the period 1 April to 30 June 2012 for completion by BIS after abolition, and to transfer to BIS all remaining records and residual rights and obligations. The Agency's former Chief Executive and Accounting Officer, David Hipple, remained in post until 30 June 2012. I became the responsible Accounting Officer for the Agency when the Agency's former Chief Executive and Accounting Officer was made redundant and I take full responsibility for the Report and Accounts for the period to 30 June 2012.

At 00.01am on 1 July 2012, all of the Agency's residual rights and obligations were legally transferred to BIS. At 00.02am on 1 July 2012 the eight remaining Regional Development Agencies, including the Agency, were abolished by an Order commencing section 30(1) of the Public Bodies Act 2011. The appointments of the Agency's Chair and the other Board members terminated on the Agency's abolition.

On abolition, the Regional Development Act 1998 was repealed save for the provisions concerning the completion of a report and statement of accounts for the accounting period from 1 April 2012 to 30 June 2012.

After the abolition of the Agency, the Report and Accounts have been completed by my staff, using drafts provided by the Agency and drawing on additional supporting evidence and information provided by the Agency. The draft Report and Accounts were reviewed and approved in draft by the Agency's Audit Committee on 12 June 2012 and Board on 18 June 2012. I have received assurances from the former Accounting Officer about the controls exercised by him, the officers and Board of the Agency during its existence to ensure compliance with the principles of *Managing Public Money* and in particular in relation to governance, decision-making and financial management. I am content that these assurances are sufficiently accurate and robust to allow me to place reliance on them to discharge my role as Accounting Officer and to sign the Report and Accounts for the period ending 30 June 2012.

The Report includes a statement by the former Chairman to provide additional context. I would like to record my thanks to the former Chairman, Board and Chief Executive and to the staff of the Agency for their work in this final accounting period.

Martin Donnelly

**Permanent Secretary and Accounting Officer
Department for Business, Innovation & Skills**

Former Chairman's Statement

Following the Coalition Government's announcement, in June 2010, of its intention to abolish Regional Development Agencies, we worked hard to ensure the controlled closure of the Agency and, where applicable, the transfer of its functions and assets to appropriate successor bodies.

I am pleased to report that we completed all required transfers and ceased operational activity by the end of March 2012. During the period April to June 2012 we finalised the Agency's 2011-12 Annual Report and Accounts and closed our final set of accounts covering the first three months of 2012-13.

I'd like to take this opportunity to thank all our partners who, over the years, have helped us along the way and all the staff who have worked for the Agency over its life. I believe the Agency achieved excellent results for the East of England and I am proud of what it achieved. I would also like to take this opportunity to wish all the very best to the businesses, business organisations, local authorities and other public and third sector partners who now take up the challenge of transforming the economic fortunes of this region.

Finally I would like to thank all of the Agency's Board members, past and present for the hard work, commitment and enthusiasm. The region has benefited greatly from their contributions.

It has been a pleasure to serve the region in my brief time as Chairman. The Agency has always tackled the challenges facing the Agency and the region in a professional and exemplary manner meaning that we leave behind a strong and robust legacy.

William Pope
Chairman (until 30 June 2012)

Accounting Officer's Report

The Accounting Officer presents the Agency's Report and Accounts for the period 1 April 2012 to 30 June 2012.

Principal Activities

The Agency was established under the provisions of the Regional Development Agencies Act 1998 and was abolished on 1 July 2012. It was a Non Departmental Public Body sponsored by the Department for Business, Innovation and Skills (BIS).

The Agency had the following purposes:

- a) to further economic development and regeneration;
- b) to promote business efficiency, investment and competitiveness;
- c) to promote employment;
- d) to enhance the development and application of skills relevant to employment;
- e) to contribute to the achievement of sustainable development in the United Kingdom.

Former Non-Executive Directors (the Board)

The former Board Members were appointed by the Secretary of State for Business, Innovation & Skills and included local authority and private sector representatives. The terms of employment and remuneration are set out in the Remuneration Report. The Agency maintained a Register of Board Members' interests. Members declared their interests to the Board in any transaction involving relevant organisations and did not participate in any debate or vote on related matters. The register of interests is available on request from BIS, 1 Victoria Street, London, SW1H 0ET.

The Agency's Board Members had corporate responsibility for ensuring the Agency complied with any statutory or administrative requirements for the use of public funds. Other corporate responsibilities included ensuring provision of the overall strategic direction of the Agency and monitoring performance.

Board Members were required to follow the seven principles of public life set out by the Nolan Committee. They were also required to follow all procedures set out in the Code of Practice and Agency policies (including Access to Information, Gifts and Hospitality) and not to misuse their position, or any information gained through their position on the Board, for personal gain or political purposes.

The Board Members during the period from 1 April to 30 June 2012 are set out on page 6. The Board met three times during the period. The Board operated with an Audit sub-committee which met once, and a Remuneration Committee which met twice.

Former Executive directors

The Board appointed an Executive Team to manage the activities of the Agency. The individual who served on the Executive Team during the period ending 30 June 2012 is shown in the Remuneration Report below.

Accountability and Financial Framework

The Secretary of State for BIS issued the RDA Accountability and Financial Framework (the framework) to the Agency in October 2008 and updated this in October 2011. The framework

set out the financial guidelines under which the Agency operated and which the Agency complied with in all material respects during the period to 30 June 2012.

Financial Results and Review

The results for the period ended 30 June 2012 are set out in the Accounts on pages 18 to 29.

Going Concern

The Public Bodies Act, which paved the way for the abolition of all Regional Development Agencies (RDAs), received Royal Assent on 14 December 2011. The Agency was abolished on 1 July 2012. Accordingly, I concluded that the Agency was no longer a going concern on 30 June 2012, and these accounts have, therefore, been prepared on a basis other than that of a going concern.

Principal Risks and Uncertainties

The Agency's key risks were set out in its Risk Management Strategy and are described in the Governance Statement on page 12.

Pension Costs

Pension costs are set out as part of Note 3 to the financial statements and the treatment of pension liabilities and the relevant pension scheme details are set out in the Remuneration Report on page 6.

Events after the reporting period

Information about events after the reporting period is given in Note 11 to the financial statements.

Employment, Health & Safety and Environment Policies

Health and Safety

The Agency's Health & Safety policy statement set out how the Agency fulfilled its health and safety responsibilities. It applied to staff, visitors, contractors and anyone who might have been affected by activities related to offices, commercial and industrial properties and projects.

Employee Information and Consultation

The Agency was an equal opportunities employer. The Agency sought to promote and maintain good communications with its staff during the closure period.

Employment of disabled persons

The Agency recognised that functional limitations arising from disabled people's impairments did not restrict their ability to perform effectively in a job. Had any employee become disabled whilst employed by the Agency, reasonable adjustments would have been made and appropriate training arranged with a view to continued employment.

Sickness absence data

No days were lost to sickness absence in the period to 30 June 2012 (2011/12: 160 days, which equated to 2.0 days for each member of staff).

Green housekeeping

The Agency had a statutory duty to contribute towards sustainable development. The Agency had a green travel plan which limited CO2 emissions for its leased car fleet. All office power was procured on green tariffs and within the offices there were facilities to recycle a full range of materials including paper, cans and plastic.

The Agency has received an exemption from providing a Sustainability Report due to its reduced size.

Political and Charitable Donations

No political or charitable donations were made during the period ending 30 June 2012.

The Agency's former Audit Committee

The Agency's former Audit Committee considered and reviewed matters relating to the Financial Statements and governance issues on behalf of the Board. These included the Annual Report and Accounts for 2011-12 and draft accounts for the accounting period from 1 April to 30 June 2012.

The Committee met twice during the period 1 April 2012 to 30 June 2012 and was chaired by Karen Livingstone. The other members of the Committee were:

Peter McCarthy-Ward
Shona Johnstone
Robert Swann
Colin Riordan
Ken Barnes (an independent, co-opted member).

The Agency's former Remuneration Committee

The Committee met twice during the period 1 April 2012 to 30 June 2012 to advise the Board on remuneration matters and, in particular, to make recommendations to the Board about retention payments. The Committee was chaired by Stuart Evans. The other members of the Committee were:

Sheila Childerhouse
Shona Johnstone
William Pope

Audit Services

The Comptroller and Auditor General is appointed by statute to audit the Agency, and reports to Parliament on the truth and fairness of the annual financial statements and the regularity of income and expenditure. The following costs were incurred in relation to services provided by the Comptroller and Auditor General:

Statutory Audit Services - £13,000

The Comptroller and Auditor General also has statutory powers to report on the economy, efficiency and effectiveness with which the Agency used its resources.

As far as the Accounting Officer is aware, there is no relevant audit information of which the Agency's auditor are unaware, and the Accounting Officer has taken all steps he ought to have taken to make himself aware of any relevant audit information and to establish that the Agency's auditor are aware of that information.

Remuneration Report

This report, for the period ended 30 June 2012, deals with the remuneration of the former Chair, former Chief Executive and former Board Members who had influence over the decisions of the Agency as a whole.

Remuneration of former Board Members

Board Members were appointed on fixed term contracts of three years and were contracted to carry out two days work per month (three days per week for chair and one day per week for Deputy Chair) on behalf of the Agency. Board Members' appointments were made in accordance with the Commission of Public Appointments code by the Secretary of State for Business, Innovation and Skills. Board Member contracts were terminated on abolition of the Agency on 1 July 2012

Remuneration of former Senior Managers

Senior Management and staff were remunerated in line with the Agency's established pay and grading system. No bonus payments were awarded in the period to 30 June 2012.

Audited part of the Remuneration Report

Former Board Members

	Appointed	Ceased to hold Office	Salary for period ending 30 June 2012	Salary for year ending 31 March 2012
			£	£
William Pope (Chair)	14/12/2006	30/06/2012	40,857	81,718
Paul Burrall	14/12/2004	30/06/2012	2,167	8,666
Sheila Childerhouse (Deputy Chair)	14/12/2004	30/06/2012	4,333	17,332
Stuart Evans	14/12/2007	30/06/2012	2,167	8,666
Earl Of Iveagh Edward Guinness	19/03/2007	30/06/2012	2,167	8,666
Shona Johnstone	14/12/2008	30/06/2012	2,167	8,666
Karen Livingstone	14/12/2003	30/06/2012	-	-
Peter McCarthy-Ward	14/12/2006	30/06/2012	2,167	8,666
Professor Colin Riordon	14/12/2009	30/06/2012	2,167	8,666
Madeline Russell	14/12/2008	30/06/2012	2,167	8,666
Robert Swann	01/05/2009	30/06/2012	2,167	8,666

The Chair's remuneration for the period ending 30 June 2012 includes £20,429 compensation in lieu of notice.

By agreement with her employer, Karen Livingstone (Independent Board Member) did not receive any remuneration from the Agency for her Board Member duties after June 2010. During the period, the Agency paid expenses of £621 to Ken Barnes (Independent Board Member) as a co-opted member of the Audit Committee.

Pension benefits of Board Members

With the approval of BIS, pension arrangements were put in place for the out-going and former Chairs with contribution rates and benefits which were identical to the Principal Civil Service Pension Scheme but which were funded directly by the Agency. The Agency was not permitted to pay these contributions to a personal pension scheme or other pension plan provider. Responsibility for these schemes transferred to BIS on 30 March 2012.

Emoluments of Former Chief Executive

Remuneration details

	Salary £'000	Compensation £'000	Pension Contributions £'000	Period ending 30 June 2012 Total £'000	Restated Year ending 31 March 2012 Total £'000
David Hipple – Chief Executive	29	83	7	119	232

The compensation costs relate to retention costs for key officers. (See Note 3 and Note 14 for further details of compensation payments). The former Chief Executive received an essential user car allowance of £250 in the period and this is included as part of his salary. The former Chief Executive received a redundancy payment of £41,876 on termination of his contract and a pension top up of £47,124. Both payments were accrued in 2011-12 (as restated – see Note 15). There were no business interests of the former Chief Executive requiring disclosure.

The former Chief Executive was appointed on a permanent contract of employment which could have been terminated by giving 6 months notice. Early termination would have been under the terms of the Civil Service Compensation Scheme. The former Chief Executive was a member of the Principal Civil Service Pension Scheme.

Compensation paid, significant awards to former senior managers

There were no significant awards or compensation paid to former senior managers in the Agency in the period ending 30 June 2012 other than those shown in the table above.

Non-cash remuneration

There were no forms of non-cash remuneration made in the period ending 30 June 2012.

Remuneration ratio

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

	Period to 30 June 2012 (annualised)	Year to 31 March 12
Highest paid director's total remuneration (£)	195,000 – 200,000	115,000 – 120,000
Median total remuneration (£)	91,038	45,519
Ratio	2.2	2.6

Total remuneration comprises annualised salary, including benefits in kind, and non-consolidated performance-related pay (including retention pay). It does not include employer pension contributions and the cash equivalent transfer value of pensions.

In the period ending 30 June 2012, no employees received remuneration in excess of the highest-paid director (2011-12: none).

Pension entitlement details

The pension entitlements of the former Chief Executive for period ended 30 June 2012 were as follows:

	Real Increase in pension (£000)	Pension at 30 June 2012 (£000)	CETV at 30 June 2012 (nearest £000)	CETV at 31 March 2012 (nearest £000)	Real increase in CETV funded by employer
David Hipple	0 – 2.5	10 - 15	167	153	No increase

David Hipple is a member of the Nuvos scheme. Because this is a 'whole career' scheme the opening figures are subject to change. The CETV figure disclosed in the Agency's 2011/12 accounts was £84k.

Cash Equivalent Transfer Values

CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme, or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in the former scheme. The pension figures shown relate to the benefits that the individual had accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements and for which the Civil Service Vote has received a transfer payment commensurate to the additional pension liabilities being assumed.

The columns “CETV at 30 June 2012” and “CETV at 31 March 2012” of the above table show the member’s cash equivalent transfer value accrued at the beginning and the end of the reporting period. The final column reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation and contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Pension schemes

The Agency employees were members of one of the following schemes:

Principal Civil Service Pension Scheme (PCSPS)

The PCSPS is an unfunded multi-employer defined benefit scheme. The Agency is unable to identify its share of the underlying assets and liabilities. It is therefore not possible to apply the requirements of IAS19 in these circumstances. A full actuarial valuation was carried out at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office Civil Superannuation (www.civilservice.gov.uk/pensions). For the accounting period, employers' contributions of £18k were payable to the PCSPS (2011/12 £582k) at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands. Employer contributions are reviewed every four years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

From 30 July 2007, Agency staff were able to join one of four statutory based final salary defined benefit scheme (Classic, Premium, Classic Plus and Nuvos). The scheme they were in was dependant on the date they joined the Agency. New entrants after 30 July 2007 could choose between membership of Nuvos or joining a good quality money purchase stakeholder based arrangement with a significant employer contribution (Partnership Pension Account).

Classic Scheme

Benefits accrue at the rate of $1/80^{\text{th}}$ of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. Members pay contributions of 1.5% to 3.9% of pensionable earnings. On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service, the scheme pays a lump sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

Premium Scheme

Benefits accrue at the rate of $1/60^{\text{th}}$ of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum, but members may commute some of their pension to provide a lump sum up to a maximum of $3/80^{\text{ths}}$ of final pensionable earnings for each year of service or 2.25 times pension if greater (the commutation rate is £12 of lump sum for each £1 of pension given up). For the purposes of pension disclosure the tables assume maximum commutation. Members pay contributions of 3.5%- 5.9% of pensionable earnings. On death, pensions are payable to the surviving spouse or eligible partner at a rate of $3/8^{\text{ths}}$ of the member's pension (before any commutation). On death in service, the scheme pays a lump-sum benefit of three times pensionable earnings and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction. Where the

member's ill health is such that it permanently prevents them undertaking any gainful employment, service is enhanced to what they would have accrued at age 60.

Classic Plus Scheme

This is essentially a variation of the Premium scheme, but with benefits in respect of service before 1 October 2002 calculated broadly as per the Classic scheme.

Nuvos

On 30 July 2007 the government introduced a new pension scheme called Nuvos for new entrants. Under this scheme benefits accrue at the rate of 2.3% of pensionable earnings for each year of service with the amount increasing by CPI every April. Members will pay contributions of 3.5% to 5.9% of pensionable earnings. On death, pensions are payable to the surviving spouse or eligible partner at a rate of 37.5% of the member's pension to date. Children's pension are payable to members' children and any other dependent children up to the age of 18 or up to the age of 23 if they are in full time education. On death in service the scheme pays a lump sum benefit of twice pensionable earnings.

Partnership Pension Account

The Partnership Pension Account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).



Martin Donnelly
Permanent Secretary and Accounting Officer
Department for Business, Innovation & Skills

Date 5 December 2012

Statement of Accounting Officer's Responsibilities

Under the Regional Development Agencies Act 1998, the Secretary of State for Business, Innovation and Skills, with the consent of HM Treasury directed the Agency to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The Accounts Direction for the final accounting period required the statement of accounts to cover the Agency's final accounting period from 1 April to 30 June 2012. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Agency and of its total comprehensive expenditure, financial position, changes in Taxpayers' Equity and cash flows for the period.

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 by the Secretary of State, 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 a going concern basis, unless it is inappropriate to do so.

HM Treasury has appointed the Permanent Secretary of BIS as the Principal Accounting Officer of the Department for Business, Innovation and Skills and as such for the Agency. 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 the Agency's assets, are set out in Managing Public Money published by HM Treasury.

Governance Statement

Context

The RDAs were established under the Regional Development Agencies Act 1998. The Government's decision to abolish RDAs, announced in June 2010, was enshrined in statute with the enactment of the Public Bodies Act in December 2011.

Governance of the Agency during the period has been informed by the RDA Accountability and Financial Framework, by Action Notes issued by BIS, and by Managing Public Money.

The former Board kept the Agency's governance arrangements under review during the period ended 30 June 2012 to ensure they remained fit for purpose. As the responsible Accounting Officer, I have received robust assurances from the former Chief Executive and Accounting Officer about the governance, risk management and internal control in the period ending 30 June 2012.

After the transfer of all of the Agency's remaining rights and obligations to BIS and the Agency's abolition on 1 July 2012, the conclusion of the Agency's remaining business was handled by BIS and was subject to BIS's governance framework and systems of risk management and internal control.

Scope and purpose of the statement

This Governance Statement sets out the governance structures, risk management and internal control procedures that have operated in the Agency and within BIS during the period from 1 April 2012 to the date of the approval of the Report and Accounts.

Governance in the period to 30 June 2012

The Board's main focus was on achieving an orderly closure of the Agency. The Accounting Officer's Report contains further information about the former Board and its sub-groups. To provide an appropriate level of oversight and governance the Agency's Board met three times during the period. The Agency's Audit Committee met once and considered a detailed breakdown of all risks that comprised the Corporate Risk Register. The Corporate Risk Register was also considered at each of the three Board meetings.

The former Chief Executive and Accounting Officer was the Senior Responsible Owner for the Agency's Closure and Transition Programme, which was governed by the Agency's Board during this period.

The Agency's Audit Committee did not receive any whistle blowing referrals or any reports of fraud during the period to 30 June 2012.

Effectiveness of the former Board

The Agency's former Board continued to rely upon the effectiveness review carried out in 2011-12, which considered the change in circumstances of the Agency, and was deemed to be adequate.

The Agency's Board set out, through the Agency's Accounting Officer, revisions to the existing Scheme of Delegation to account for the activities relating to closure and transition. This was done in accordance with the RDA Accountability and Financial Framework and any supplementary instructions issued by BIS with respect to the closure and transition process.

The Agency Board received reports covering key issues including performance headlines, financial performance and risk management.

During the period from 1 April 2012 to 30 June 2012, the Agency applied the principles of the Code of Good Practice for Corporate Governance in Central Government Departments in order to meet its business needs and the Agency's practices were consistent with these principles.

The quality of the data used by the Agency's Board was endorsed by the controls adopted in the final accounting period and, as a result, the Agency's Board was confident in the quality of the information being presented.

Risk and Internal Control Framework

The Agency recognised that the changes in the environment in which the Agency was operating represented an increase in the level of risk and uncertainty. However, the transfer of assets and liabilities during 2011-12, the reduction in the budget and other changes to the operating environment, resulted in a significant mitigation of the risks to the Agency achieving its closure and transition objectives during the period from 1 April to 30 June 2012. For this reason, the provision of a discrete independent internal audit function ceased at the end of March 2012.

The system of internal control was designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It could, therefore, only provide a reasonable and not an absolute assurance of effectiveness. However, controls were modified appropriately to reflect the Agency's revised position.

Risk Profile and Assessment

The Agency's risk profile and approach to risk management was based on the structure of the Closure and Transition Programme. Levels of risk and the implementation of mitigation actions were monitored across the following areas:

People

The key risk was the loss of staff and expertise during the period of closure and transition. In order to mitigate the risk, the Agency, with Cabinet Office approval, established and maintained a closure team based on a consideration of the business-critical nature of key roles as well as the achievement of best value for money in staff and administrative costs.

Finance

The heightened risks associated with closure related to fraudulent and erroneous payments due to significant changes in personnel and to the control environment. In order to mitigate these risks, the Agency implemented a revised scheme of delegation which was endorsed by the Audit Committee which ensured that all payments were approved by the Agency's Accounting Officer and that all amounts over £10k were subject to further approval by the Chair, Vice Chair or the Chair of the Audit Committee. There was a separate review of all payments by the independent member of the Audit Committee.

Knowledge management

The key risk has been the loss or unavailability of the key information required to meet the needs of BIS and other successor bodies and the National Audit Office (NAO), our auditors. The Agency worked closely with BIS to ensure that information has been provided in a timely fashion.

The Agency has not suffered any key data losses during the period ending 30 June 2012.

Governance in the period after 30 June 2012

All the Agency's rights and obligations transferred to BIS on 1 July 2012. The conclusion of the Agency's remaining business after this date was handled by BIS and was subject to BIS's governance framework and systems of internal control.

A key risk in this period concerned the satisfactory completion of the Agency's Report and Accounts. The risk of delay or other obstacles has been mitigated by:

- a) the transfer of most of the Agency's assets, liabilities and activities to BIS and other bodies during 2011/12;
- b) the production, audit and approval of a draft Report and Accounts for the period, for handover to BIS, with the supporting documents and accounting records; and
- c) the close partnership working between staff at BIS and the Agency to achieve an effective handover, including attendance by BIS staff at Agency Board and Audit and Risk Management Committee meetings.

The final adjustments to the Agency's accounts were made by staff in BIS. The BIS Audit and Risk Committee (ARC) met on 3 December 2012 to review and recommend the approval of the final Report and Accounts. The members of the BIS ARC, and their attendance at that meeting, are as follows:

BIS Audit and Risk Committee members	
Name	Attendance
Alan Aubrey (chair)	Yes
Grenville Hodge	Yes
Nigel Johnson	Yes

The governance structures in BIS are set out in more detail in the BIS Annual Report and Accounts 2011-12.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the governance, risk management and internal control systems in the Agency and in BIS for the period from 1 April 2012 to the date of the approval of the Report and Accounts. This review is informed by the work of senior managers within the Agency, by the internal control frameworks in place, by the past work of the internal auditors and by comments made by the external auditor in their management letter and other reports. The former Chief Executive and Accounting Officer of the Agency has provided me with formal assurances about the effectiveness of systems of governance, risk management and control for the period up to the abolition date. My review also takes account of the governance, risk management and internal control systems within BIS. This Governance Statement represents the end product of the review.

Conclusion

I have considered the evidence provided regarding the production of this Governance Statement, including the assurances provided by the Agency's former Board and former Accounting Officer, BIS Audit and Risk Committee and others, and I conclude that both organisations' overall governance and internal control structures have been effective. There are no significant control issues to report.



Martin Donnelly

**Permanent Secretary and Accounting Officer
Department for Business, Innovation & Skills**

Date 5 December 2012

THE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

I have audited the financial statements of the East of England Development Agency for the period ending 30 June 2012 under the Regional Development Agencies Act 1998. The financial statements comprise: the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows and the Statement of Changes in Taxpayers' Equity, 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 Statement of 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 and express an opinion on the financial statements in accordance with the Regional Development Agencies Act 1998. I conducted my audit in accordance with 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 the East of England Development Agency's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the East of England Development Agency; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Report and Accounts to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report. I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements 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 the East of England Development Agency's affairs as at 30 June 2012 and of the net expenditure after tax for the period then ended; and
- the financial statements have been properly prepared in accordance with the Regional Development Agencies Act 1998 and Secretary of State directions issued thereunder.

Emphasis of Matter – Preparation on a basis other than Going Concern

Without qualifying my opinion, I draw attention to Note 1.2 to the financial statements which discloses that the financial statements have been prepared on a basis other than going concern as the East of England Development Agency was abolished on 1 July 2012.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under the Regional Development Agencies Act 1998; and
- the information given in the Accounting Officer's Report and Remuneration Report for the period for which the financial statements are prepared is consistent with the financial statements.

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 returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Amyas C E Morse
Comptroller and Auditor General

Date 7 December 2012

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Statement of Comprehensive Net Expenditure

For the period ending 30 June 2012

	Notes	Agency Period to 30 June 2012 £'000	Group Restated Year to 31 March 2012 £'000
Expenditure			
Programme expenditure	2	-	(21,852)
Staff costs	3	(569)	(7,959)
Depreciation		-	(1,583)
Book value of investments sold		-	2,349
Book Value of Inventory sold		-	(1,487)
Other expenditure	4	(41)	(3,592)
Loss on disposal from Transfer Order 2		-	(344)
Total expenditure		(610)	(34,468)
Income			
European funding	5	-	5,660
Self-generated income	5	-	3,727
Other income	5	-	1,277
Profit on disposal of assets	5	1	-
Profit on disposal from Transfer Order 1	5	-	2,182
Total income		1	12,846
Net expenditure		(609)	(21,622)
Interest receivable	5	1	191
Net expenditure after interest		(608)	(21,431)
Taxation		-	(88)
Total comprehensive expenditure for the period ended 30 June 2012		(608)	(21,519)

All activities are discontinued.

The figures for the year to 31 March 2012 have been restated, as explained in Note 15.

The notes on pages 22 to 29 form part of these accounts.

Statement of Financial Position


As at 30 June 2012

	Notes	30 June 2012 £'000	Restated 31 March 2012 £'000
Current assets			
Trade and other receivables	7	243	1,175
Cash and cash equivalents	8	489	3,365
Total current assets		732	4,540
Current liabilities			
Trade and other payables	9	518	1,318
Total current liabilities		518	1,318
Total assets less current liabilities		214	3,222
Reserves			
Grant-in-Aid reserve		214	3,222

The figures as at 31 March 2012 have been restated, as explained in Note 15.

The notes on pages 22 to 29 form part of these accounts.

The financial statements on pages 18 to 29 were approved by



Martin Donnelly
Accounting Officer

Date 5 December 2012

Statement of Cash Flows

For the period ending 30 June 2012

		Agency Period to 30 June 2012 £'000	Restated Agency Year to 31 March 2012 £'000	Restated Group Year to 31 March 2012 £'000
	Notes			
Cashflows from operating activities				
Net expenditure		(608)	(20,791)	(21,519)
Depreciation		-	1,484	1,583
Decrease in trade receivables	7	932	13,111	11,456
Decrease in inventories		-	1,487	2,048
Less movements in receivables relating to items not passing through the Statement of Financial Position		-	(54)	(54)
Decrease in trade payables and other current liabilities	9	(800)	(27,598)	(29,220)
Use of provisions		-	(431)	(431)
Profit on disposal from Transfer Order 2		-	(2,182)	(2,182)
Loss on disposal from Transfer Order 1		-	344	344
NBV on sale of subsidiary		-	(2,349)	(2,349)
Adjustments for non-cash transactions expenditure		-	(157)	2,969
Less repayment of bad debt		-	(76)	(76)
Net cash outflow from operating activities		(476)	(37,212)	(37,431)
Cashflows from investing activities				
Proceeds from disposal of inventory		-	1,553	1,553
Loan repayments from other bodies		-	(178)	(178)
Net cash inflow from investing activities		-	1,375	1,375
TOTAL NET CASH OUTFLOW		(476)	(35,837)	(36,056)
Cashflows from financing activities				
(Repayment)/Receipt of Grant-in-Aid from parent Department		(2,400)	24,886	24,886
Net financing		(2,876)	(10,951)	(11,170)
Net decrease in cash and cash equivalents in the period		(2,876)	(10,951)	(11,170)
Cash and cash equivalents at the beginning of the period	8	3,365	14,316	14,535
Cash and cash equivalents at the end of the period	8	489	3,365	3,365

Statement of Changes in Taxpayers' Equity

As at 30 June 2012

Group	Grant-in-Aid Reserve £'000	Revaluation Reserve £'000	General Reserves £'000	Restated Total Reserves £'000
Balance at 1 April 2011	1,670	43	(1,749)	(36)
Changes in Taxpayers' Equity for 2011-2012				
Grant-in-Aid received from sponsoring department	24,886	-	-	24,886
Movements in reserves	(2,543)	(43)	2,586	-
Movements in by-analogy Pension	-	-	(18)	(18)
Net gain/loss on Subsidiary	728	-	(819)	(91)
Restated Total Comprehensive Expenditure for the year (Note 15)	(21,519)	-	-	(21,519)
Balance at 31 March 2012 (restated)	3,222	-	-	3,222
Agency				
Changes in Taxpayers' Equity for the period ending 30 June 2012				
Grant-in-Aid returned to sponsoring department	(2,400)	-	-	(2,400)
Total Comprehensive Expenditure for the period	(608)	-	-	(608)
Balance at 30 June 2012	214	-	-	214

Notes to the Financial Statements for the period ended 30 June 2012

1. Accounting policies

1.1 Basis of accounting

These financial statements are for the period from 1 April 2012 to 30 June 2012. The comparative figures are for the year from 1 April 2011 to 31 March 2012. The comparative figures have been restated to take account of a prior year adjustment as set out in Note 15. The consolidated accounts for the prior year incorporate the Agency and its subsidiary Centre for Integrated Photonics Ltd., which was sold on 6 July 2011.

The financial statements of the Agency have been prepared in accordance with the 2012-13 Government Financial Reporting Manual (FReM) issued by HM Treasury and in a form directed by the Secretary of State for Business, Innovation and Skills, with the approval of HM Treasury, in accordance with the Regional Development Agencies Act 1998.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Agency for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Agency are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

The Agency was issued with a final period Accounts Direction on 28 May 2012.

The Agency considered, in accordance with IAS 8, whether there have been any changes to accounting policies (either voluntary or arising from IFRS and the FReM) which have an impact on the current or prior period. The Agency was content that no changes were appropriate.

1.2 Going concern

The Public Bodies Act, which paved the way for the abolition of all RDAs, received Royal Assent on 14 December 2011. The Agency was abolished on 1 July 2012.

In 2011/12, BIS issued two Transfer Schemes for each RDA under the Act. The first came into effect on 1 January 2012, transferring remaining projects and some staff to BIS, so that the projects could be completed. A second transfer scheme was made on 30 March 2012 to take away most remaining assets and liabilities so the Agency achieved operational closure by 31 March 2012. A third transfer scheme took effect on 1 July 2012, transferring the Agency's remaining assets and liabilities to BIS and the Agency was then abolished on 1 July 2012. Accordingly, the Agency was no longer a going concern as at 30 June 2012, and these accounts have, therefore, been prepared on a basis other than going concern.

The information contained in the financial statements relating to prior accounting periods is also prepared on a basis other than going concern. The accounting policies set out below were applied consistently to all periods presented in the financial statements.

1.3 Employee Benefits

Under IAS 19, the Agency included an accrual for holiday pay which was inclusive of employer's national insurance and pension contributions and was reviewed and amended annually.

1.4 Pension costs

Past and present employees of the Agency are covered by the provisions of Principal Civil Service Pension Scheme (PCSPS), a defined benefit scheme. The PCSPS is a non-contributory scheme for employees. The former Board Members are not members of this or any other pension scheme of the Agency. The former Agency Chair has a pension arrangement that is analogous to PCSPS.

1.5 Government grants and Grant-in-Aid

Agency's activities were funded by Grant-in-Aid provided by BIS. Grant-in-Aid was used to finance activities and expenditure which supported the statutory and other objectives of the Agency. Grant-in-Aid was treated as financing and was credited to the Grant-in-Aid reserve as it was regarded as a contribution from a controlling party.

1.6 Operating Income

Revenue consisted of interest only which was recognised on an accruals basis.

1.7 Value Added Tax

The Agency was registered for VAT and operated within a non-business apportionment methodology agreed with HM Revenue and Customs. Any irrecoverable VAT resulting directly or indirectly from this methodology was charged to the Statement of Comprehensive Net Expenditure.

2. Segmental Reporting

The Agency was operationally closed by 31 March 2012 and therefore there was no programme expenditure or activity during the reporting period. All expenditure in the period was for administration and related to the closure of the Agency. Details of prior-year activity are shown below.

	Period ending 30 June 2012 £'000	Year ending 31 March 2012 £'000
Grants paid for programme expenditure – public sector	-	3,071
Grants paid for programme expenditure – private sector	-	15,887
Non-grant programme expenditure	-	2,894
	-	21, 852

3. Staff numbers and related costs

Staff costs comprise:

	Agency Period ending 30 June 2012			Restated Agency Period ending 31 March 2012			Restated Group Period ending 31 March 2012		
	Permanent staff £'000	Others £'000	Total £'000	Permanent staff £'000	Others £'000	Total £'000	Permanent staff £'000	Others £'000	Total £'000
Board Members									
Board Members' fees	63	-	63	179	-	179	332	-	332
Pension costs	5	-	5	24	-	24	174	-	174
Social Security costs	6	-	6	14	-	14	14	-	14
Staff									
Wages and salaries	84	-	84	2,813	-	2,813	3,131	-	3,131
Pension costs	18	-	18	582	-	582	504	-	504
Social Security costs	73	-	73	387	-	387	430	-	430
Other									
Temporary staff costs	-	-	-	-	23	23	-	23	23
Other staff costs	-	-	-	-	17	17	-	17	17
Secondment staff	-	-	-	-	45	45	-	45	45
Redundancy, retention and early retirement costs	320	-	320	3,359	-	3,359	3,359	-	3,359
Sub-Total	569	-	569	7,358	85	7,443	7,944	85	8,029
Less recovery in respect of outward secondment	-	-	-	-	(70)	(70)	-	(70)	(70)
Total net costs	569	-	569	7,358	15	7,373	7,944	15	7,959

Further information about pensions is set out in the Remuneration Report.

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Redundancy costs were accounted for in the accounting period of departure or, where a signed agreement with the employee is in place for departure within three months of the period-end, within the prior period. Where early retirements were agreed, the additional costs were met by the employer and not the Civil Service Pension Scheme. Any ill-health retirement costs were met by the pension scheme and are not included in the table. Retention payments were accounted for in year of departure as they were contingent on the satisfactory performance of key tasks.

Average staff numbers of persons employed

The average number of full-time equivalent persons employed during the period was as follows:

	Agency Period ending 30 June 2012			Agency Year ending 31 March 2012			Group Year ending 31 March 2012		
	Permanent staff	Others	Total	Permanent staff	Others	Total	Permanent staff	Others	Total
Senior Managers	1	-	1	4	-	4	5	-	5
Staff	4	-	4	68	-	68	79	-	79
Secondees	-	-	-	-	1	1	-	1	1
Temporary Staff	-	-	-	-	1	1	-	1	1
Total	5	-	5	72	2	74	84	2	86

Seconded staff

No members of staff were seconded during the period from 1 April to 30 June 2012.

Loans to employees

There were no loans outstanding to employees at 30 June 2012.

Reporting of Civil Service and other compensation schemes – exit packages

	Period ending 30 June 2012	Period ending 30 June 2012	Period ending 30 June 2012	Restated Year ending 31 March 2012
Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total number of exit packages by cost band
< £10,000	-	-	-	10
£ 10,000 - £ 25,000	-	-	-	37
£ 25,001 - £ 50,000	-	4	4	43
£ 50,001 - £100,000	-	2	2	15
£ 100,001 - £150,000	-	-	-	3
More than £ 150,000	-	-	-	1
Total number of exit packages	-	6	6	109
Total resource cost / £000	-	320	320	3,573

Compulsory redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. The staff numbers and costs in the period ending 30 June 2012 are in respect of retention payments due as the underlying activity took place in that period (see Note 14 for further details). All of these staff are also included in the staff numbers for 2011/12 as their redundancies were agreed in that year.

All redundancy costs for the staff that left between 1 April 2012 and 30 June 2012 were accrued in full the financial year 2011/12. The figures in the table for the year ending 31 March 2012 have been restated – see Note 15. By 30 June 2012, all staff had ceased employment with the Agency.

4. Other Expenditure

	Agency Period ending 30 June 2012 £'000	Agency Year ending 31 March 2012 £'000	Group Year ending 31 March 2012 £'000
Administration costs			
Travel and subsistence	2	191	196
Other Staff Costs	1	92	100
Office Costs	(11)	1,300	1,491
Estate Management	-	202	202
Marketing and PR	-	6	12
Professional costs	22	215	233
IT and communication	13	376	386
Irrecoverable VAT	(3)	432	432
Cost of Sales	-	-	416
Bad and Doubtful debts movement	17	(76)	(76)
Impairment of partnership workspace	-	200	200
Other expenditure	41	2,938	3,592
Auditors' remuneration (part of Professional costs)			
Statutory Accounts	13	79	79

Office costs include those in respect of the Agency's offices at Histon near Cambridge. Responsibility for the lease and associated costs transferred to BIS on 30 March 2012. The comparative figure for the Group includes office costs in respect of the former subsidiary company's offices near Ipswich. The credit balance on office costs arises from a credit received on rates.

5. Income and interest receivable

	Agency Period ending 30 June 2012 £'000	Agency Year ending 31 March 2012 £'000	Group Year ending 31 March 2012 £'000
European funding	-	5,660	5,660
Proceeds from Disposal of Assets			
Disposal of inventory	-	1,553	1,553
Disposal of investment in subsidiary	-	1,454	1,454
	-	3,007	3,007
Rental Income	-	30	30
Subsidiary Turnover	-	-	690
Self-generated income	-	3,037	3,727
Other grants	-	1,043	1,043
Other income	-	234	234
Other income	-	1,277	1,277
Profit on disposal of assets	1	-	-
Profit on disposal from Transfer Order 1	-	2,182	2,182
Total income	1	12,156	12,846
Interest receivable			
Bank Deposit	1	13	13
Other	-	178	178
Total interest receivable	1	191	191

6. Impairment

The were no impairment losses recognised in the Statement of Comprehensive Net Expenditure for the period ending 30 June 2012 in respect of other financial assets (2011-12 £200,000).

7. Trade receivables and other current assets due within one year

	30 June 2012	31 March 2012
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	231	1,128
Accrued income	-	4
Corporation tax	12	43
	243	1,175
Trade receivables – analysis of balances		
Balances with other central government	203	1,106
Balances with local authorities	27	34
Subtotal – intra government balances	230	1,140
Balances with bodies external to government	13	35
	243	1,175

8. Cash and cash equivalents

	30 June 2012	31 March 2012
	£'000	£'000
Balance at 1 April	3,365	14,316
Net changes in cash and cash equivalent	(2,876)	(10,951)
Balance at period end	489	3,365

The balances were held at commercial banks and as cash in hand.

9. Trade payables and other current liabilities due within one year

	30 June 2012	Restated 31 March 2012
	£'000	£'000
Amounts falling due within one year		
Trade payables	-	28
Other payables	42	-
Accruals	335	1,135
Tax and social security	141	155
	518	1,318
Trade payables – analysis of balances		
Balances with other central government	141	328
Balances with bodies external to government	377	990
	518	1,318

10. Financial Instruments

The Agency had no borrowings and drew down cash as required from BIS to meet its requirements and was therefore not exposed to liquidity risks. No cash was drawn during the period. It had no material deposits and all material liabilities were denominated in sterling, so the Agency was not exposed to interest rate risk, currency or market risk.

11. Events after the Reporting Period

All remaining rights and obligations of the Agency transferred to BIS on 1 July 2012 by virtue of a transfer scheme under the authority of the Public Bodies Act 2011. The net assets transferred totalled £214,000 as shown in the Statement of Financial Position. The Agency was abolished on 1 July 2012 by virtue of an Order commencing section 30(1) of the Public Bodies Act 2011.

The Agency's financial statements are laid before the Houses of Parliament by the Secretary of State for Business, Innovation and Skills (BIS). IAS 10 – Events after the Reporting Period requires the Accounting Officer to disclose the date on which the accounts are authorised for issue. The authorised date for issue is the date the audit report is signed by the Comptroller & Auditor General.

12. Contingent Liabilities

At 30 June 2012 there were no significant contingent liabilities (31 March 2012: nil).

13. Related party transactions

The Agency was a Non-Departmental Public Body whose sponsor was the Department for Business, Innovation and Skills (BIS). During the period ending 30 June 2012 the Agency returned funding to BIS. BIS was regarded as a related party. No other significant transactions have taken place with this body. BIS was the sponsor of the other Regional Development Agencies in England and therefore the other RDAs were regarded as related parties. There were no outstanding balances with the other RDAs at the period end.

During the period ended 30 June 2012, surplus computer equipment was sold to Microbial Solutions Limited at its estimated market value of £960. Microbial Solutions Limited is a related party because William Pope, the former Chair, is a Director.

14. Losses and special payments

The Agency did not incur any losses during the period which are required to be disclosed under the guidance contained in *Managing Public Money* (2011/12: £706,000)

In order to ensure an effective closure of the Agency, a retention scheme was put in place that identified key individuals with the necessary skills and experience to close the Agency. This scheme was approved by the Department for Business, Innovation and Skills (BIS), in conjunction with HM Treasury in December 2010. The purpose of the scheme was to incentivise a limited number of key staff to remain until they had completed closure activities in order to safeguard the taxpayers' interest by achieving value for money, to protect taxpayers' equity in the significant public assets the RDA owned and to secure an orderly closure. In the period ending 30 June 2012, 6 employees (2011/12: 11) duly completed their closure tasks and received a total of £320,000 (2011/12: £381,000) having met the required conditions. These are classified as a special payments as set out in Annex 4.10 of *Managing Public Money*.

15. Prior period adjustment

The charge for redundancy costs in the year ending 31 March 2012 was £3,293k, including an accrual of £627k based on estimate of payments after 31 March 2012. During the period to 30 June 2012 more information came to light in respect of these costs and the figures for the year ending 31 March 2012 have been adjusted to reflect these changes where they are material to the results for the period ending 30 June 2012. These changes have resulted in an increase of £66k in redundancy costs in the year ending 31 March 12 and an increase in the accruals figure of £66k at 31 March 2012.

The impact of these changes is to reduce Taxpayers' Equity at 31 March 2012 to £3,222k. This is £66k below the Taxpayers' Equity figure of £3,288k that is disclosed in the Agency's 2011/12 Annual Report and Accounts.

The figures in Note 3 have been restated, and show an increase in redundancy, retention and early retirement costs of £66k, from £3,293k to £3,359k. The exit packages section of this note has been updated. The figures in Note 9 have been restated to show the increase in the accruals figure from £1,069k to £1,135k.



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