
Firebuy Ltd

Annual Report and Accounts 2009-10

(For the year ended 31 March 2010)

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Presented to Parliament pursuant to the Government Resources and Accounts Act 2000, (Audit of Non-profit-making Companies) Order 2009 (S.I. 2009/476), articles 3, 6(2)(b) and the Schedule

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Firebuy Limited: Company information

Outgoing Directors 2009/10

Chair	Liz Barron (appointed 20 February 2006 - 18 November 2009)
Non Executive Directors	George Herbert (Vice Chair) (appointed 5 April 2006 - 18 November 2009) Elizabeth Bennett (Chair of Audit Committee) (appointed 5 April 2006 - 18 November 2009) Martin Kitchen (Chair of Remuneration Committee) (appointed 5 April 2006 - 18 November 2009) Karen Dodds (appointed 19 September 2006 – 18 November 2009) Paul Fuller (Independent) (appointed 5 April 2006) Cllr Robert Light (appointed 5 April 2006 - 18 November 2009) Richard Hewitson (appointed 6 January 2000 - 18 November 2009) Cllr Colin Tandy (Independent) (appointed 10 March 2008 - 18 November 2009)

Incoming Directors 2009/10

Chair	Peter Holland (appointed 16 December 2009)
Non Executive Directors	Chris Hetherington (Chair of Audit Committee) (appointed 16 December 2009) Jane Moorhouse (appointed 16 December 2009) Robert Light (appointed 16 December 2009) Sir Peter Spencer (appointed 16 December 2009) Paul Fuller- Independent (appointed 5 April 2006)

**Chief Executive Officer
Company Secretary
Business Address**

Terry Brewer
Jill Strong
St David's
70 Wray Park Road
Reigate
Surrey
RH2 0EJ

Registered Office

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Surrey
RH2 0EJ

Bankers

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Bank of England
Threadneedle Street
London
EC2R 7DB

Auditors - External

Comptroller & Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London

Auditors – Internal

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Internal Audit Service
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Solicitors

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Pinsent Masons
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LS1 5AB

**Company Registration
Number**

05568715

The Directors present their Report together with the Financial Statements for the year ended 31 March 2010.

Structure

Firebuy Limited is an executive non-departmental public body and company limited by guarantee which operates with a Board of Directors including a Chair, and all of whom are responsible for the Corporate Governance of the Company. Day to day responsibility rests with the Chief Executive Officer, who leads four Work Stream Directors not sitting on the Board, each of whom is responsible for an area of the business.

A new Board for the NDPB was appointed on 16 December 2009 to reflect the proposed revised role of the organisation. The new Board has considerable public and private sector experience of the management of major procurements and contracts, and of corporate governance and the management of change.

Review of the business

Firebuy is established under Section 29(2) of the Fire & Rescue Authorities Act 2004, with overall aims set by the Secretary of State for Communities and Local Government (DCLG) as follows:

- To assist to deliver the National Procurement Strategy for the Fire and Rescue Service.
- To act as the specialist procurement agency focusing on fire service-specific vehicles and equipment.
- To develop output-based specifications from user requirements and set up framework agreements for Fire and Rescue Services around the country.
- To take the lead in subsequent contract management and service level monitoring.
- To make procurements available to other public sector organisations as appropriate.

Firebuy's overall aims and objectives are defined by the National Procurement Strategy for the Fire and Rescue Service. The main procurement objectives continue to be:

- To ensure that a collaborative approach is taken on a national basis for the procurement of major items of service-specific spend, such as vehicles, equipment and key services. During the year Firebuy increased the range of procurements it has in place for fire and rescue authorities to use.
- To work with Regions and individual fire and rescue authorities to ensure a co-ordinated and structured approach is taken to procurement.
- To assist fire and rescue authorities with any difficulties experienced with procurement related activity

- To ensure that Fire and Rescue Service procurement activity makes a positive contribution toward social inclusion and minimises any possible adverse impact it could have on the environment. Firebuy is ensuring that its projects deliver solutions that do not act as a barrier to the recruitment of women and ethnic minorities.
- To ensure that project, commercial and health and safety risks and their subsequent management are considered in all key procurements, that suitable contingency plans are in place for key products and that all those involved with project management roles have the appropriate skills and experience. Firebuy is currently developing suitable contingency planning guidelines for use on a local, regional and national level.
- To ensure that procurement procedures are as effective as possible and that the Fire and Rescue Service achieves year-on-year savings from procurement activity through cost and efficiency improvements. Firebuy is delivering significant savings to Fire and Rescue Authorities through the framework agreements it has put in place.
- To ensure that contracts are managed effectively to maintain and improve contractual performance.

The Company is divided into the following four workstreams:

1. Fire Vehicles and Emergency Response Equipment Workstream

The Fire Vehicles and Emergency Response Equipment Workstream Frameworks were utilised by 39 of those 43 English Fire and Rescue Authorities able to use them (90% take-up) for either Pumping Appliances, Aerial Appliances and Emergency Response Equipment or a combination of Framework Agreements. The Northern Ireland Fire and Rescue Authorities and MoD also utilised the arrangements for the purchase of Emergency Response Equipment and 11 Pumping Appliances respectively delivered in February 2010 adding income to the Workstream activities. The Workstream has successfully delivered with Cambridgeshire and Hereford and Worcester Fire and Rescue Authorities three specialist Combined Aerial Rescue Appliances and is project managing the retro fit work to Suffolk and South Yorkshire CARPs although these were not purchased through any Firebuy Framework Agreements.

The turnover for all activity during 2009-10 includes orders placed for 145 pumping appliances, 12 aerial appliances, 12 specialist vehicles and £5.6m of Emergency Response Equipment, totaling £44.8m with cashable savings of £1.3m and income of £179,000.

2. Procurement Delivery Workstream

Firebuy's on-going objective is to let framework agreements for goods and services that will provide the most benefit to the Fire and Rescue Service. The work stream worked on a wide range of projects during 2009/10:

FRAMEWORK AGREEMENTS - ONGOING MANAGEMENT AND DEVELOPMENT

The workstream has continued to manage existing frameworks for a range of products and services for fire safety/prevention, protection and fire-ground communications. Work completed and progressed during the year includes the following:

Water rescue equipment: In collaboration with DEFRA, the Marine Coastguard Agency and RNLI Firebuy has procured a new framework for flood and water rescue equipment which includes personal protection equipment, craft, equipment and training.

Respiratory Protective Equipment: In collaboration with CFOA the work stream has continued to deliver the next generation of respiratory protection for fire-fighters in England and the wider UK public sector. To date all fire and rescue services with a requirement to purchase SCBA and telemetry have chosen to do so through the Firebuy framework. In addition to Northern Ireland and South Wales 20 English Fire and Rescue Services have either completed their purchases using the Firebuy framework or have mini competitions in progress or planned. A new chemical protection suits framework commenced on 1 September 2009.

Communications: The re-tender of the Firebuy hand held radios framework agreement was concluded during the year with the new framework available for use from 1 September 2009.

Fire safety/protection: The Firebuy smoke alarms framework is being used by the majority of Fire and Rescue Services and 1.7 million alarms were purchased in 2009/10 through the framework. A new framework agreement for fire extinguishers went live in April 2009 offering an increased range of products including training.

Insurance: Firebuy is collaborating with Buying Solutions on a pan government insurance framework agreement initiative covering all aspects of public sector insurance requirements. A stake holder group representing a broad cross section of public sector organisations was set up to undertake a UK wide landscaping exercise, which will be used to identify similar public sector profile requirements to underpin forecast premium savings and reduce frictional costs.

Facilitating Access to Shared Services: Firebuy continues to explore opportunities for the Fire and Rescue Service to access collaborative arrangements for legal services, ICT and other relevant categories.

3. Contract Relationship Management

The workstream manages two key contracts:

LONG TERM CAPABILITY MANAGEMENT

Effective contract management of the long term capability management contract has played a vital role in ensuring the New Dimensions assets are properly maintained and serviced by VT Critical Solutions. VT's performance against contract key performance indicators has been consistently good and areas for improvement and efficiencies are proactively addressed. The relationship between Firebuy and VT is based on openness and transparency and a partnership approach is taken to resolve issues and move the service forward. On 9 July 2010 Babcock acquired VT Critical Services.

INTEGRATED CLOTHING PROJECT

The Personal Protective Equipment offered under the Integrated Clothing Project is well regarded, with many Fire and Rescue Authorities recognising the benefits of the proven performance from the garment trials when worn by male and female fire-fighters. Five Fire and Rescue Authorities have now signed up to the Integrated Clothing Project contract and at least four more are considering it as a valid option. The first Fire and Rescue

Authority to go-live with a fully-managed service will be the MoD Fire Service in spring 2010.

4. Corporate Services

Functions undertaken by Corporate Services include assisting the Chief Executive Officer with the development and maintenance of internal control systems in relation to the Human Resources infrastructure, IT infrastructure, Company Board secretariat, Risk Management and Business/Corporate Planning strategy as well as liaising with the DCLG sponsorship team on the day to day running of the Company.

Management of the Company's finances is a vital strategic function of the Corporate Services workstream which is overseen by the Chief Executive Officer. This financial management ensures that the grant in aid received from DCLG, the sponsoring department, is being used effectively, efficiently, and economically to deliver the aims and objectives of the National Procurement Strategy. The Board of Directors ensure that both external and internal auditors are appointed for each financial year to ensure that its scrutiny and oversight of the financial management of the Company is examined.

PRINCIPAL RISKS AND UNCERTAINTIES

Management is responsible for providing up to date reports to the Board to ensure that it is kept abreast of developments and to provide it with sufficient information on which to take decisions and to plan strategies. The Directors meet as a Board on a quarterly basis and meet regularly as Audit and Remuneration Committees. Regular reports are provided to the Board regarding the various projects covering risks, finances and project progress made.

Some of the key tools used when managing risks include:

- gateway reviews for each key phase of the project
- early notification of project delays to Firebuy Board
- engagement with Fire and Rescue Suppliers Association (FIRESA)
- briefing to industry regarding any changes and/or consequences of EU directives
- holding of supplier briefing days
- involvement of CFOA to perform risk assessments within each individual project
- ensuring that equipment meets EN Standards; and
- use of a communications strategy to engage all stakeholders.

POST BALANCE SHEET EVENTS

On 14 October 2010 the Fire Minister announced that Firebuy Ltd is to be closed arising from the Coalition Government's Public Reform Bill. The Fire Minister wrote the following:

'I am writing to let you know that Firebuy is to close following the review of Arms Length Bodies across Government announced today.

This is a decision which reflects the coalition agreement to make substantial reforms to public bodies; increasing accountability and reducing their number and cost.

The decision to close Firebuy has not arisen from concerns about the operation of the organisation or the need for the services it offers. Firebuy has undertaken valuable work to streamline procurement arrangements, and to secure efficiency savings which is a tribute to the professionalism and dedication of its staff. Ministers consider the sort of functions Firebuy currently carries out should be devolved away from central Government as a measure of their commitment to decentralisation and localism.

Ministers envisage Firebuy will cease operations by Spring 2011, and are putting in place arrangements for the orderly management of their contracts going forward.'

Consequently Firebuy Ltd no longer remains a going concern.

Following this announcement DCLG issued Expressions of Interest letters to fire and rescue authorities and other organisations to seek bidders for Firebuy's procurement frameworks. A timetable has been drawn up to transfer the frameworks along with the staff working on them to a successful bidder by spring 2011. DCLG have agreed that certain areas of Firebuy's work, these being contract management of the LTCM and ICP contracts, the technical services function and the EU funded Enprotex project will be transferred to DCLG on 8 April 2011.

It is anticipated that Firebuy will cease trading in spring 2011 with the company formally being wound up once the 2010/11 accounts have been produced by September 2011.

In terms of meeting Firebuy's current liabilities and those that will be incurred up to spring 2011 DCLG have issued the following letter of comfort:

'At the Firebuy Board meeting on 14 September you raised concerns about the filing of your 2009-10 accounts and the external auditors, NAO, required confirmation that Firebuy would remain a going concern following the announcement of the review of Arm's Length Bodies (ALBs) across Government.

On 14 October the Government announced the outcome of the ALB review, which included the closure of a number of ALBs including Firebuy. We are currently seeking Expressions of Interest from the Fire Sector (and others) to take on your framework contracts, and there will be an orderly transition to any new arrangements. The aim is for Firebuy to cease trading by Spring 2011 with the formal winding up of the company following as soon as practicable after all the necessary transitional arrangements have been made.

The Department will continue to support Firebuy until it is formally closed and the accounts are signed off. This will include any necessary financial provision for the winding up of the organisation including managing out any commitments, liabilities and assets.'

Financial review

Income and Expenditure Account

Income for the period amounted to £2.773m and was principally generated from grant in aid (£1.582m), £1.033m internally generated income from framework contracts and £158,667 grant funding from the European Union. Revenue expenditure for the period totalled £2.766m.

Balance Sheet

At the balance sheet date the Company had cash at bank and in hand of £141,591 of which £105,247 is grant funding from the European Union.

Disclosure of information to auditors

The Directors who held office at the date of approval of this report confirm that, so far as they are individually aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he/she ought to have as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Our independent auditor, the National Audit Office has been appointed with the agreement of the Board to audit the 2009/10 Firebuy accounts.

By order of the Board

Jill Strong
Company Secretary
29 March 2011

Firebuy Limited: Statement on internal control

Introduction

1. As a public body it is important that Firebuy is able to provide assurance that the resources it is responsible for are being properly managed. This Statement on Internal Control is aimed at communicating these assurances to Parliament and the public.

Scope of responsibility

2. As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Company's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in the document 'Managing Public Money'.
3. A robust internal financial management system has been maintained during 2009-10. The use of SAP ERP as Firebuy's financial recording system supplemented by management accounting reports to provide forecasting of budgets and tight financial control of costs has ensured that the organisation has provided financial reports to the Board and the Audit Committee on a timely and accurate basis.
4. Firebuy has been working closely with the DCLG Internal Audit Service (which acts as Firebuy's Internal Audit) to ensure that a sound and robust Corporate Governance structure is maintained and that Risk and Financial Management systems have been maintained and are working effectively. The internal controls have ensured that Firebuy operates with regularity, propriety and good financial management and that it is achieving its strategic objectives and delivering value for money. The systems employed and maintained have ensured advising the Board on matters such as planning, monitoring, managing risk and resources and accounting for Firebuy's activities have been managed and reported effectively.
5. In addition, the system of internal control includes:
 - Budgets that have been delegated to appropriate levels of management, with accurate and timely monthly management accounts being produced for all budget holders, and
 - Regular reviews by senior management and the Board of monthly financial reports which indicate financial forecasts against budget.
6. The Board has agreed a risk management process which is based upon a matrix system and provides a method for analysing and assessing risks. These risks have been analysed in conjunction with the risk management software at project level. During 2009/10 we have migrated to an improved risk management system to provide better risk management across the organisation.

The purpose of the system of internal control

7. 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 company policies, aims and objectives. This is achieved by evaluating the likelihood of those risks being realised and the impact should they be realised or not, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 March 2010 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.
8. This is Firebuy's fourth full year of operation. Financial and budget management procedures previously developed have been fully implemented which have enabled the company to trade and report more effectively. The organisation is seeing significant income starting to be received and during 2009/10 systems for the recording and collection of income, including debt recovery, have been further developed and implemented although it is acknowledged that there is scope for further improvements in income collection.
9. Additional internal controls include:
 - reports to the Board on all significant issues and financial implications
 - reports to the Board by the Chairs of the Audit and Remuneration Committees
 - reviews of the risk register and continual emphasis on methods to improve risk management techniques
 - reviews of internal audit reports recommending improvements within internal controls
 - reviews of external audit reports recommending improvements
 - anti-fraud and whistleblowing policies

Capacity to handle risk

10. The company maintains an up to date risk register which has been included in the business plan. The risks are regularly reviewed through the use of software and reports presented to the Board and to the Audit Committee. The company has developed strategies to deliver appropriate standards of secure information collection, use, control and access, which includes a Senior Information Risk Owner (SIRO) appointed at Board level. This will involve deciding on additional safeguards for personal and commercially sensitive information.
11. The Audit Committee and the Board are responsible for reviewing the risk register.

The risk and control framework

12. The Company operates a risk management strategy. Risk is predominantly identified through Firebuy's four workstreams which maintain registers of the various risks, controls and responsible persons are attached to each potential risk event.

Risks are managed by:

- recording and updating a Risk log for each project as appropriate according to size/risks
- notifying delays in any project promptly to the Project Board
- maintenance of a company risk register
- ensuring the use of PRINCE2 project management methods for all major projects
- safeguarding information, including personal data

Significant Internal Control problems

i) Cash flow

Firebuy receives income from two main sources; through grant-in-aid from DCLG and from income generated by sales through Firebuy's procurement frameworks. Grant-in-aid can be drawn down on an 'as required' basis whereas income received is more irregular during the year and is subject to the timing of purchases by fire services. As the amount received from income increases and grant-in-aid decreases this places greater uncertainty on the company having sufficient cash at certain times of the year to pay salaries and other commitments. This situation is compounded by the fact that Firebuy is not permitted to maintain any reserves. Careful micro-management of cash flow is required throughout the year to ensure that Firebuy is able to meet its commitments on a timely basis.

ii) Business continuity

One of the key risks for the company is a lack of resilience in the event of a key member of staff leaving or falling ill. In particular there are some key posts where the company is especially vulnerable. Actions have been taken to train other staff where appropriate and this will continue along with ensuring that adequate work procedure notes are developed for key activities. Nevertheless, Firebuy employs staff with key skills for which it is not easily possible to train others so this risk cannot be reduced beyond a certain point.

iii) Information risk

The SIRO acts as an advocate on information risk to the Board and is responsible for implementing the Information Risk Policy and ongoing annual risk assessments in relation to identifying and managing information risks in accordance with Cabinet Guidelines. The SIRO has provided a written report to the Accounting Officer (including the annual

assessment) which in turn was presented to the Audit Committee and Board for approval. An extract from the report by the SIRO to the Board is set out below:

“The key risks for managing data in the organisation are as follows:

*Internal security network
External physical security
Data handling procedures
Mobile data security
Resilience of IT system*

In terms of its IT system, the current position is that Firebuy has:

- i) an encrypted virtual network;*
- ii) firewall security;*
- iii) a private DSL.*

During 2009/10 the roll-out of SecurID to provide a two factor authentication protection was commenced. In addition a dedicated line was ordered to introduce a terminal services system to prevent the need to hold data locally on IT systems. Implementation of this line has unfortunately been delayed owing to an issue over wayleaves at the St David’s site. Whilst this matter has finally now been resolved difficulty is being experienced in scheduling the work with BT and it is unlikely to be fully operational until August 2010.

Actions to be undertaken during 2010/11

The following actions are intended to be completed during the 2010/11 financial year.

- i) roll out the SecurID system;*
- ii) implementation of terminal services solution by August 2010;*
- iii) relocation of current server to a secure off site location and lease of a second server (also to be located at a secure off site location) to provide increased resilience;*
- iv) roll out of new lap tops (already purchased):- this will ensure that all laptops are to the same standard and same system and to avoid some staff using their own laptops and thereby introducing risks of data loss/corruption to the IT system; and*
- v) replacement of current BlackBerrys with either BlackBerrys linked to a enterprise server or I phones to prevent danger of information being intercepted between server and mobile device.*

All the above actions were scheduled to be completed on an on-going basis by August 2010, however, owing to difficulties in installing a leased line at Reigate and budget reductions, items (ii) and (v) were not completed and (iii) partially completed.

Overall Position

Having reviewed the Information Risk Register and the actions that are already underway, I am satisfied that I have a good understanding of the information risks to the organisation and that these have informed investment decisions. Once these actions have been implemented I consider that the risks will have been mitigated to an acceptable level whilst acknowledging that these will need to be kept under review.”

During 2009/10, mandatory training for the SIRO and relevant staff in Firebuy with regard to data handling had not been completed due to issues within the Cabinet Office over implementation of the new specific e-learning packages. This training will be carried out during 2010/11.

Review of effectiveness

13. As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditor and the executive managers within the Company who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditor in its management letter and other reports. I ensure continuous improvement of the system takes place.
14. The Board is responsible for receiving reports from the management of the Company regarding risks and the effectiveness of managing risks. Reports are submitted at each Board meeting concerning the progress made in managing risks and any impending ones.
15. Firebuy has engaged DCLG's Internal Audit Service to provide Internal Audit arrangements during the year. A three-year rolling programme has been adopted to ensure that key areas of risk for the company are regularly reviewed over the three years on a risk based approach. There are no significant outstanding issues arising out of Internal Audit reports completed during the year. The Opinion of the Head of Internal Audit is attached. For the 2009/10 accounts Firebuy's external auditor function has been carried out by the National Audit Office (NAO). The NAO's Report 'Reducing the cost of procuring Fire and Rescue Service vehicles and specialist equipment', published in 2010, identified that the risk to effective reporting of savings was, in their opinion, significantly higher than actually achieved.
16. The workstreams use a risk software system to assess, manage and control risks. Regular reports are provided to the Audit Committee and to the Board concerning this area of business operations.
17. Firebuy's Board and Audit Committee meets quarterly, and the Remuneration Committee meets twice per year. The Board's role is to provide strategic direction to management and to consider any issue which would have a significant effect upon the company's reputation or a strategic impact. The Audit Committee has responsibility for reviewing the internal auditor's report in accordance with the audit plan initially approved by the Audit Committee, and for reviewing the external auditor's management letter and regulatory compliance report.

Terry Brewer
Accounting Officer

29 March 2011

Firebuy Limited: Report of the internal auditor

Internal Audit Services (IAS)

Head of Internal Audit Opinion 2009/10

1. I am required by the Government Internal Audit Standards to give an annual opinion to the Accounting Officer on the overall adequacy and effectiveness of the organisation's arrangements for risk management, control and governance.
2. There are no particular issues from individual audits which we wish to raise with the Audit Committee. There are no significant audit issues which I will be recommending the Accounting Officer should include in his Statement on Internal Control (SIC) as at the date of my report dated 9 July 2010.

Risk Management

3. I am of the opinion that proper and adequate risk management processes have been largely established at Firebuy. In general, risks are well managed. Our Income Generation Report (IAS 01/09) showed that Firebuy needs to implement a process to verify the validity of the information received from suppliers. There is also benefit to be gained by implementing a robust post implementation and evaluation process to help mitigate the risks of not obtaining income due. Cabinet Office mandatory minimum measures require organisations to have an information risk policy. Although Firebuy handle relatively small amounts of personal data, this action had been delayed since August 2009. The Head of Corporate Services has confirmed the policy was presented to the Board in May 2010, as part of the new Board SIRO report, and approved. Overall we can offer substantial assurance (Amber/Green) that risk management arrangements are established and found to be working with some weaknesses.

Control

4. Firebuy needs to ensure that income information is consistent with the information held on the main corporate system SAP and aligns with the Business Strategy. Firebuy also needs to implement a systematic and disciplined process to ensure suppliers pay monies owed in a timely manner, (Income Generation Report, IAS 01/09).
5. Control arrangements could be further enhanced if SAP computer terminals are installed at the Staffordshire site (IAS 02/09). Overall we offer substantial assurance (Amber/Green) that control arrangements are operating effectively with the exception of identified weaknesses.

Governance

6. I am of the opinion that generally sound governance processes have been established within Firebuy. There are clear governance structures in place, such as the Board, Directors meetings and the Audit Committee. Firebuy needs to review the current process to understand accountability for chasing outstanding monies owed to ensure that they are in receipt of all monies owed for the period 2009/10(IAS01/09).

7. The Interface with DCLG audit showed that on appointment of the new board, Firebuy should arrange a formal meeting/away day with DCLG Firebuy Sponsorship team and the Director of Fire & Resilience to ensure clarity of all roles and responsibilities, and seek to clarify that such arrangements are adequately reflected in the Management Statement, enabling empowerment for the new Board. We noted a new Board, Audit Committee Chair and Non Executive Director (NED) appointments, including the reappointment of one NED, were completed in year. Overall we can offer substantial assurance (Amber/Green) that governance arrangements are established and found to be working.

Peter Reeves
Head of Internal Audit
July 2010

Firebuy Limited: Statement of directors' responsibilities

Statement of Directors' Responsibilities

Company law requires the Directors to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that year. In preparing those Financial Statements the Directors have selected suitable Accounting Policies and applied them consistently; made judgments and estimates that are reasonable and prudent; stated whether applicable United Kingdom accounting and financial reporting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and prepared the Financial Statements on the basis that as Firebuy is to be closed it is no longer a going concern.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the Directors' Report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

The Directors are also responsible for ensuring that the Financial Statements comply with the Management and Financial Statement and the Accounts Direction issued to the Board by the Secretary of State for Communities and Local Government.

The maintenance and integrity of the website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the information contained in the Financial Statements since they were initially presented on their website. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements and other information included in annual reports may differ from legislation in other jurisdictions.

Firebuy Limited: Report of the Independent Auditor

The certificate and report of the Comptroller and Auditor General to the members of Firebuy Limited

I certify that I have audited the financial statements of Firebuy Limited for the year ended 31 March 2010 under the Government Resources and Accounts Act 2000. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and Statement of Total Recognised Gains and Losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of the directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, the directors are 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 the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; 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 the company's affairs as at 31 March 2010 and of its deficit for the period then ended
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the Companies Act 2006.

Emphasis of matter: Going concern

Without qualifying my opinion, I draw attention to the disclosures made in the Accounting Policies sections 1 and 3, and note 18 to the financial statements. On the 14th October 2010 the Directors were formally notified by the Under-Secretary of State that Firebuy Limited will be closed through the Public Reform Bill. The Directors intend to cease operations in spring 2011. As a consequence, the Directors do not consider Firebuy Limited to be a going concern and the financial statements have not been prepared on a going concern basis. Details of the impact of this on the financial statements are provided in Accounting Policies section 1 and 3, and note 18 to the financial statements.

Opinion on other matters

In my opinion:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I am required to 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.

Report

I have no observations to make on these financial statements.

Amyas C E Morse

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria, London, SW1W 9SP

Date 5 April 2011

FIREBUY LIMITED

INCOME AND EXPENDITURE ACCOUNT
Year ended 31 March 2010

	Note	2010	2009
Income			
Grant-in-aid financing	1	1,582,000	7,183,638
Contract management and commission income	1	1,032,868	550,315
Grant funding of ENPROTEX	1	158,667	-
		<u>2,773,535</u>	<u>7,733,953</u>
Administrative expenses	2	2,766,155	7,827,682
		<u>2,766,155</u>	<u>7,827,682</u>
Operating Surplus / (Deficit)	3	7,380	(93,729)
Notional cost of capital	4	1,189	654
		<u>1,189</u>	<u>654</u>
Surplus / (Deficit) on Ordinary Activities before Taxation		6,191	(94,383)
Tax on (deficit)/surplus on ordinary activities	6	-	-
		<u>-</u>	<u>-</u>
Result for the year		6,191	(94,383)
Plus notional cost of capital		1,189	654
Retained surplus brought forward		(73,730)	19,999
		<u>(73,730)</u>	<u>19,999</u>
Net surplus / (deficit) after cost of capital charge for the year ended 31 March		<u>£(66,350)</u>	<u>£(73,730)</u>

All income is from continuing operations.

No Statement of Total Recognised Gains and Losses is required as there are no recognised gains or losses in the period other than the surplus or deficit for those periods. The Company has received grant-in-aid of £19,200 (2009: £20,614) which has been utilised to fund the purchase of fixed assets. There is no material difference between the reported surplus for the year ending 31 March 2010 and 31 March 2009 and the surplus for these years as restated on a historical cost basis.

The Accounting Policies and Notes on pages 19 to 28 form part of these Financial Statements.

	Note	2010	2009
Fixed assets			
Tangible assets	7	18,564	32,067
Current Assets			
Debtors	8	369,117	502,285
Cash at bank and in hand (see statement of cash flows)	15	141,591	451,043
		<hr/>	<hr/>
Total current assets		510,708	953,328
Creditors: due within one year	9	577,058	1,027,058
		<hr/>	<hr/>
Net Current (Liabilities) / Assets		(66,350)	(73,730)
		<hr/>	<hr/>
Total Assets less Current Liabilities		(47,786)	(41,663)
		<hr/>	<hr/>
Capital Grant Reserve	10	18,564	32,067
		<hr/>	<hr/>
		£(66,350)	£(73,730)
		<hr/>	<hr/>
Capital and Reserves			
Income and Expenditure Account	12	£(66,350)	£(73,730)
		<hr/>	<hr/>
		£(66,350)	£(73,730)
		<hr/>	<hr/>

Approved by the Board on

Director..... Accounting Officer.....

The Accounting Policies and Notes on pages 19 to 28 form part of these Financial Statements.

FIREBUY LIMITED**CASH FLOW STATEMENT
Year ended 31 March 2010**

	Note	2010	2009
Net cash inflow / (outflow) from operating activities	13	(290,252)	279,785
Capital expenditure	14	(19,200)	(20,614)
		<hr/>	<hr/>
Increase / (Decrease) in Cash in the Year		(309,452)	259,171
Reconciliation of Net Cash Flow to Movement in Net Funds			
Increase / (Decrease) in Cash in the Year		(309,452)	259,171
Movement in Net Funds in the Year			
Net Funds at 1 April 2009		451,043	191,872
		<hr/>	<hr/>
Net Funds at 31 March 2010		£141,591	£451,043
		<hr/> <hr/>	<hr/> <hr/>

The Accounting Policies and Notes on pages 19 to 28 form part of these Financial Statements.

Firebuy Limited: Accounting policies

Accounting Policies

Firebuy Limited is a company limited by guarantee, incorporated and domiciled in the UK.

1 Basis of Accounting

The Financial Statements of Firebuy Limited have been prepared under the historical cost basis of accounting in accordance with United Kingdom Generally Accepted Accounting Principles, the parts of the Companies Act 1985 applicable to companies reporting under UK GAAP and Accounts Direction issued from time to time by the Secretary of State for Communities and Local Government.

As described in the Directors' Report on page 6, Firebuy Limited is expected to be wound up by spring 2011. The accounts have therefore not been prepared on a going concern basis. A letter of comfort has been provided by DCLG providing reassurance that the Department will continue to support Firebuy until it is formally closed including financial provision for the winding up of the organisation including managing out any commitments, liabilities and assets.

2 Accounting Convention

These Financial Statements have been prepared under the historical cost convention.

3 Going concern

As described in the Directors' Report on page 6, Firebuy Limited is expected to be wound up by spring 2011. The accounts have not therefore been prepared on a going concern basis. A letter of comfort has been provided by DCLG providing reassurance that the Department will continue to support Firebuy until it is formally closed including financial provision for the winding up of the organisation including managing out any commitments, liabilities and assets.

4 Tangible Fixed Assets

Tangible fixed assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to income or expenditure during the financial period in which they are incurred. The threshold for treatment of such acquisitions as tangible fixed assets is £1,000 net of VAT.

5 Depreciation

Depreciation on all fixed assets, other than freehold land, is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. As Firebuy is no longer a going concern the life of all assets has been adjusted to reflect the intention for Firebuy to cease trading in Spring 2011.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, and are recognised within "Other (Losses)/Gains – Net" in income or expenditure.

6 Revenue Recognition

Revenue is recognised in the accounting period in which it arises.

7 Debtors

Debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not they are presented as non-current assets.

Debtors are recognised at historic value. All such assets are classified as "debtors".

8 Cash and Cash Equivalents

In the Cash Flow Statement, cash and cash equivalents comprise cash in hand and bank overdrafts. Bank balances are shown within current assets on the Balance Sheet.

9 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Creditors are recognised at historic cost.

10 Grant-in-Aid

Grant-in-aid is receivable by the Company in order to discharge its obligations under the Fire and Rescue Services Act 2004. Grant-in-aid of a revenue nature is credited to the income and expenditure account in the year in which it is receivable. Grant-in-aid utilised for the purchase of fixed assets is credited to the capital grant reserve and released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

11 Employee Benefits - Pension Obligations

The Company operates a defined contribution plan, under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions where the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset, to the extent that a cash refund or a reduction in the future payments is available.

Following the Ministerial announcement regarding the closure of Firebuy DCLG have provided Firebuy with the following words of comfort on pensions:-

“Firebuy Ltd is an employer in the Local Government Pension Scheme (LGPS) which means that employees are automatically eligible to be members of the scheme. When Firebuy Ltd is wound up, the LGPS regulations require the relevant LGPS administering authority, who administers pensions for Firebuy Ltd's employees, to obtain an actuarial valuation of the assets and liabilities in respect of those employees. Any shortfall, or pension deficit, would need to be paid by Firebuy Ltd. In the event that Firebuy Ltd had insufficient funds to meet this liability, DCLG, as Firebuy Ltd's sponsoring Government Department, would meet any remaining liabilities”.

12 Disclosure of Related Party Transactions

For the purposes of describing material transactions during the year and outstanding balances at the year end, notwithstanding anything in the accounting standard, it is assumed:

- a. Transactions and balances of £1,000 and below net of VAT are not material;
- b. Parties related to Board Members and key managers are as notified to the Board by each individual Board Member or key manager.
- c. The following are related parties:
 - i. Subsidiary and associate companies of the Company
 - ii. Pension funds for the benefit of employees of the Company
 - iii. Board Members and key managers of the Company
 - iv. Members of the close family of Board Members and key managers
 - v. Companies in which a Board Member or key manager is a director, partner or venturer
 - vi. Trusts, friendly societies and industrial and provident societies in which a Board Member or a key manager is a trustee or committee member
 - vii. Companies and subsidiaries thereof in which a Board Member or a key manager has a controlling interest

- viii. Settlements in which a Board Member or key manager is a settlor or beneficiary
- ix. Companies and subsidiaries thereof in which a member of the close family of a Board Member or a key manager has a controlling interest
- x. Partnerships and joint ventures in which a member of the close family of a Board Member or a key manager is a settlor or beneficiary;
- xi. The Department for Communities and Local Government, as the sponsoring department for the Board.

For the purposes of this sub-paragraph:

- A key manager is defined as the Chief Executive Officer, Board Members and all employees reporting directly to the Chief Executive;
- The close family of an individual is defined as their spouse, relatives of the individual and their spouses, and relatives of the individual's spouse. For the purposes of this definition 'spouse' includes personal partners, and 'relatives' means siblings, ancestors, lineal descendants and adopted children.

13 Leasing

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to expenditure on a straight-line basis over the period of the lease.

1 Income

	2010	2009
Grant-in-aid receivable	1,582,000	7,183,638
Other income	1,032,868	550,315
Grant funding from European Union of ENPROTEX	158,667	-
	<u>£2,773,535</u>	<u>£7,733,953</u>

2 Administrative Expenses

	2010	2009
Staff costs (Note 5)	1,417,428	1,268,443
Consulting costs	265,266	694,888
Legal and professional fees	277,953	5,286,541
Rent	25,430	26,559
Rates	19,908	20,343
Management fees	23,512	26,455
Utility and cleaning charges	1,650	2,066
Travel and subsistence	87,425	65,479
IT costs	144,315	101,517
Training	5,348	4,982
Advertising and conference costs	35,277	721
Recruitment	300	-
Government procurement card charges	37,257	45,406
Insurance	16,928	14,896
Hospitality	1,017	6,528
Telephone call costs	11,169	13,292
Postage, printing and stationary	15,703	-
Subscriptions	2,078	-
Other administration costs	726	111,666
Bank charges	1,651	-
Irrecoverable VAT to be written off Enprotex	254,578	98,370
	53,442	
Rental under operating leases		
Car leasing	35,091	28,473
Non-cash items		
Depreciation	17,760	11,057
	14,943	Impairment
	-	-
	<u>£2,766,155</u>	<u>£7,827,682</u>

3 Operating Surplus

This is stated after charging:

	2010	2009
Statutory audit fee		
- external audit	£14,521	£13,280
- other services	£-	£3,626
- Depreciation	£17,760	£11,057
- Impairment	£14,943	£-
- internal audit services (CLG Internal Audit Service)	£13,466	£7,924
	<u>£14,521</u>	<u>£13,280</u>

4 Notional Cost of Capital	2010	2009
At 3.50% of the average net assets during the year	1,189	654
	<u>1,189</u>	<u>654</u>
5 Employees		
Staff costs (including Directors)	2010	2009
Wages and salaries	1,111,654	1,023,709
Social security costs	120,095	91,732
Pension contributions	185,679	153,002
	<u>£1,417,428</u>	<u>£1,268,443</u>

No loans were made to employees during the year. Firebuy offers to employees the option to contribute to the Local Government Pension Scheme (LGPS), a defined – benefit superannuation scheme administered by the London Pensions Fund Authority. This is non – mandatory. Board members' remuneration is not pensionable.

Average number of persons during the year	2010	2009
	Total	Total
Directors (excluding independent members of the Board)	6	7
Permanent contracted employees	13	8
Fixed term contract employees	3	4
Seconded employees	3	4
Temporary staff	0	2
Consultants	4	4
	<u>29</u>	<u>29</u>

Directors' Emoluments

Directors Remuneration	2010	2009
Salaries	58,216	47,200
Other emoluments (including benefits in kind)	4,201	4,275
	<u>£62,417</u>	<u>£51,475</u>

Directors' Emoluments (continued)

The remuneration of each individual Director analysed into its constituent elements, along with comparatives, is as follows:

	Basic emolument		Other benefits and expenses		Total emoluments		Contract terms	Notice period
	2010	2009	2010	2009	2010	2009	Term	
L Barron	13,933	22,000	1,060	1,282	14,993	23,282	3 years	3 months
E Bennett	2,533	4,000	155	490	2,688	4,490	3 years	3 months
G Herbert	2,533	4,000	381	39	2,914	4,039	3 years	3 months
M Kitchen	2,533	4,000	485	361	3,018	4,361	3 years	3 months
R Light	5,732	4,000	775	676	6,507	4,676	4 years	3 months
D Rowe	-	4,000	-	126	-	4,126	3 years	3 months
K Dodds	2,533	4,000	212	537	2,745	4,537	3 years	3 months
R Hewitson	1,764	-	176	-	1,940	-	5 months	3 months
L Byrom	-	1,200	-	104	-	1,304	lifetime of LGA*	3 months
Cllr C Tandy	-	-	550	660	550	660	see ° below	3 months
P Holland	17,058	-	-	-	17,058	-	4 years	3 months
C Hetherington	3,199	-	-	-	3,199	-	3 years	3 months
J Moorhouse	3,199	-	-	-	3,199	-	3 years	3 months
Sir P Spencer	3,199	-	407	-	3,606	-	4 years	3 months
	<u>£58,216</u>	<u>£47,200</u>	<u>£4,201</u>	<u>£4,275</u>	<u>£62,417</u>	<u>£51,475</u>		

Other benefits and expenses include bonuses, taxable travel and subsistence expenses.

* LGA – Local Government Association

° Lifetime of LFEPA – London Fire Emergency & Planning Authority

6 Taxation

In the opinion of the Directors, the Company has no liabilities to Corporation Tax arising out of its activities during the year as the surplus arising is out of grant-in-aid funding from its sponsor.

7 Fixed Assets	Fixtures and fittings	IT equipment	Total
Cost/Value			
At beginning of the year	3,456	50,948	54,404
Additions	-	19,200	19,200
	<hr/>	<hr/>	<hr/>
At end of the year	3,456	70,148	73,604
	<hr/>	<hr/>	<hr/>
Depreciation			
At beginning of the year	(788)	(21,549)	(22,337)
Provided during the year	(685)	(17,075)	(17,760)
Impairment	(278)	(14,665)	(14,943)
	<hr/>	<hr/>	<hr/>
At end of the year	(1,751)	(53,289)	(55,040)
	<hr/>	<hr/>	<hr/>
Net Book Value			
At 31 March 2009	£2,668	£29,399	£32,067
At 31 March 2010	<u>£1,705</u>	<u>£16,859</u>	<u>£18,564</u>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
8 Debtors			
		2010	2009
Amounts falling due within one year:			
Trade debtors		43,629	56,670
Other debtors		79,515	290,212
Prepayments and accrued income		245,973	155,403
		<hr/>	<hr/>
		£369,117	£502,285
		<hr/> <hr/>	<hr/> <hr/>
9 Creditors: amounts falling due within one year			
		2010	2009
Amounts falling due within one year:			
Trade creditors		28,989	-
Other taxation and social security		76,860	26,712
Other creditors		109,078	1,833
Accruals and deferred income		362,131	998,513
		<hr/>	<hr/>
		£577,058	£1,027,058
		<hr/> <hr/>	<hr/> <hr/>

10 Capital Grant Reserve	2010	2009
At beginning of the year	32,067	22,510
Receivable for the year	19,200	20,614
Credited to the Income & Expenditure Account	(17,760)	(11,057)
Impairment	(14,943)	
	<hr/>	<hr/>
At end of the year	£18,564	£32,067
	<hr/> <hr/>	<hr/> <hr/>

11 Operating Lease Commitments

Firebuy Ltd. had obligations under non-revocable operating leases expiring as follows:

	Vehicles
Between two and five years	32,290
	<hr/>
	£32,290
	<hr/> <hr/>

12 Income and Expenditure Account	2010	2009
At start of year	(73,730)	19,999
Surplus/(deficit) for year	7,380	(93,729)
	<hr/>	<hr/>
At end of year	£(66,350)	£(73,730)
	<hr/> <hr/>	<hr/> <hr/>

13 Reconciliation of Operating (Deficit) / Surplus to Operating Cash Flows

Operating surplus/(deficit)	7,380	(93,729)
Depreciation charges	17,760	11,057
Impairment	14,943	
Decrease/(Increase) in debtors	133,168	289,317
Increase/(Decrease) in creditors	(449,999)	63,583
Decrease in deferred capital receipts	(13,504)	9,557
	<hr/>	<hr/>
Net Cash Inflow / (Outflow) from Operating Activities	(£290,252)	£279,785
	<hr/> <hr/>	<hr/> <hr/>

14 Analysis of Cash Flows for headings netted in the Cash Flow Statement	2010	2009
Capital Expenditure		
Payments to acquire tangible fixed assets	19,200	20,614
	<hr/>	<hr/>
Net Cash Outflow for Capital Expenditure	19,200	20,614
	<hr/> <hr/>	<hr/> <hr/>

15 Analysis of Net Funds

	At start of year	Cash Flow	At end of year
Cash in hand, at bank	451,043	(309,452)	141,591
	<hr/> <hr/>		

16 Pension Costs to Firebuy

	2010	2009
Income and Expenditure Account charge	£185,679	£153,002
	<hr/>	<hr/>

17 Related parties

Control

Firebuy Ltd is an Executive Non Departmental Public Body sponsored by the Department for Communities and Local Government (DCLG). DCLG is regarded as a related party, as are other entities that it sponsors.

Transaction

During the year none of the Board members or key management staff have undertaken any material transactions with Firebuy Ltd. Related party transactions occurred between Firebuy Ltd. and the following during the accounting year ending 31 March 2010:

The parties are related due to:

- the Director of the Integrated Clothing Project was seconded from LFEPa during the year ended; and
- DCLG being the sponsoring department for Firebuy Ltd.

Related parties (continued)

Supplier	Value	Year end creditor	Services provided
London Fire and Emergency Planning Authority	£200,312	£53,847	Seconded officer pay costs
Department for Communities and Local Government	£17,260	£2,370	Financial administration and internal audit services

18 Post balance sheet events

It was announced in the Budget on 22 June 2010 that HM Government intends to adopt the Consumer Price Index (CPI) for the indexation of public service pensions from April 2011. This will affect the operation of pension schemes that Firebuy offers to employees.

As described in the Directors' Report on page 6, Firebuy Limited is expected to be wound up by Spring 2011. The accounts have not therefore been prepared on a going concern basis. A letter of comfort has been provided by DCLG providing reassurance that the Department will continue to support Firebuy until it is formally closed including financial provision for the winding up of the organisation including managing out any commitments, liabilities and assets.

The Directors have carried out a review of the accounts in light of the fact that Firebuy is no longer considered a going concern. They have concluded that it is necessary to impair the value of fixed assets by £14,943 to reflect the fact that Firebuy will cease trading in 2011. They are satisfied that other assets and liabilities are fairly stated. As the successor arrangements for Firebuy have not yet been fully determined there are no costs associated with the closure of the company which should be recognised in the 2009-10 financial statements. Once the detailed arrangements for the transferring Firebuy's business have been confirmed by the Department for Communities and Local Government, it will be possible to estimate any closure costs arising. As noted above, the Department have confirmed that they will continue to support Firebuy until it is closed.

The date on which the accounts were authorised for issue is 29 March 2011.



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