
Food from Britain

Annual Report and Accounts 2010–11

(For the year ended 31 March 2011)

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

Laid before the Scottish Parliament by the Scottish Ministers on 5 June 2014

Laid before the National Assembly for Wales by the Welsh Ministers on 5 June 2014

Laid before the Northern Ireland Assembly by the Department of Agriculture and Rural Development of Northern Ireland on 5 June 2014

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Contents

Annual Report	2
Statement of Accounting Officer's Responsibilities	4
Remuneration Report	5
Statement on Internal Control	6
The Certificate of the Comptroller and Auditor General	7
Statement of Comprehensive Net Expenditure	9
Statement of Financial Position	10
Statement of Cash Flows	11
Statement of Changes in Taxpayers' Equity	12
Notes to the Accounts	13

Introduction and Review

History and statutory background

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

Closure of FFB

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

Legislative dissolution of FFB

As the Agricultural Marketing Act 1983 does not provide for FFB's abolition, legislation is required before FFB can be dissolved in law. The Public Bodies Act received Royal Assent in December 2011. This confers powers on Ministers in relation to certain public bodies and offices. Section 1 to the Act enables Ministers to lay an Order to abolish bodies listed in Schedule 1 of the Act. FFB is one of the bodies listed in Schedule 1. An Order under the Public Bodies Act to dissolve FFB was laid on 6th May 2014.

Responsibility for FFB's residual assets and liabilities following the cessation of FFB's activities rests with the Secretary of State for Environment, Food and Rural Affairs until such time as FFB is legally dissolved. Similarly, as Accounting Officer for the Defra Group, the responsibility of FFB Accounting Officer now falls to the Defra Accounting Officer, Bronwyn Hill.

FFB legacy

Following the cessation of FFB's activities, advice and support to UK food and drink exporters continues to be made available by UK Trade & Investment (UKTI), the Welsh Government, the Scottish Government in partnership with Scottish Development International, Invest Northern Ireland and the FFB's former network of International Offices, now known as the Green Seed Group. The Food and Drink Federation continue to host a webpage which signposts the main organisations that continue to offer export support to British food and drink companies¹. FFB's former work on Protected Food Names continues to be undertaken by ADAS UK Limited under a contract from Defra.

Basis and preparation of Annual Report and Accounts

Following the cessation of FFB's activities, the Secretary of State for Environment, Food and Rural Affairs is responsible² for the preparation of these and any subsequent Annual Report and Accounts and has a statutory obligation to publish annual accounts until FFB is dissolved in law. These Accounts show no activity nor expenditure and liabilities, as FFB ceased the last of its activities in 2009. As a result they have been prepared on a basis other than going concern. The Accounts have been prepared, in the form directed by the Secretary of State for Environment, Food and Rural Affairs, the Cabinet Secretary for Rural Affairs and the Environment in the Scottish Government, the Minister for Natural Resources and Food in the Welsh Government, and the Minister for Agriculture and Rural Development in Northern Ireland, with the approval of HM Treasury, in accordance with the Agricultural Marketing Act 1983, as amended.

¹ <http://www.fdf.org.uk/exports.aspx>

² Under Clause 2 of the Deed of Transfer between FFB and the Secretary of State for Environment, Food and Rural Affairs (SSEFRA), SSEFRA took on the Business of FFB.

As recorded in this Annual Report and Accounts there are no outstanding liabilities, obligations or commitments. Since FFB ceased operations as at 31 March 2009 this will remain the case.

Management

Since June 2009 there has been no management associated with FFB. Prior to this, FFB was governed by a non-executive Council. During the period April to June 2009, the appointments of the Chairman and three Council Members continued in order that they could oversee the winding down of FFB.

Council Chairman:

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

Members who served during the 2009-10 year:

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

Freedom of Information Act

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

Auditor

FFB's auditor is the Comptroller and Auditor General. The audit fee for 2010-11 was £4,000. There was no remuneration for non-audit services. As FFB is no longer operating, any liabilities emerging from the continued administration of the accounts are being handled by Defra. The audit fee charged by the National Audit Office has therefore been accounted for in Defra's accounts.

Financial Review

The 2009-10 accounts were prepared on a basis other than going concern. There has been no subsequent activity, therefore these accounts have again been prepared on a basis other than going concern for 2010-11.

Retirement benefits scheme

The 2009-10 Annual report explained that on 1st July 2009 the Secretary of State for Environment, Food and Rural Affairs became the new Principal Employer by deed of substitution. The Scheme's pension assets and liabilities were transferred to Pension Insurance Corporation (PIC) in the same year and their agents, Xaffinity Paymaster, took over responsibility for pensioner payments in August 2009. The Scheme's trustees triggered wind up of the scheme in October 2009 and a deed of winding up came into effect in March 2010. The Pension Regulator has been kept informed of developments.

Events after the reporting period

See Note 10.

Disclosure of audit information to the Comptroller and Auditor General

So far as I am aware, there is no relevant audit information of which the Comptroller and Auditor General is unaware. I have taken all the steps that I ought to have taken to make myself aware of any audit information and to establish that the Comptroller and Auditor general is aware of that information.

Bronwyn Hill

Permanent Secretary, Department for Environment, Food and Rural Affairs
Accounting Officer for Food from Britain

7 May 2014

Statement of Accounting Officer's Responsibilities

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

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

- observe the Accounts Direction issued by the Secretary of State and agreed by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards, as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the Accounts; and disclose and explain any material departures in the accounts; and
- prepare the Accounts on an appropriate basis. For 2010-11 this was on a basis other than going concern.

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 FFB's assets, are set out in *Managing Public Money*.

Remuneration Report

Council members and the Chief Executive remained in post until 30th June 2009 to oversee the winding down of FFB. There is therefore no remuneration information to report relating to the 2010-11 financial year.

Further details on salary and pensions for the prior year, along with the Remuneration Committee and policy information, can be found in the Remuneration Report contained in the 2009-10 Annual Report and Accounts.

Council Members' Remuneration (Audited)

	2010-11 (£)	2009-10 (£)
Lady Jay (Sylvia) CBE	-	13,872
David Croisdale-Appleby OBE	-	738
Marie Francis OBE	-	738
Ian Martin	-	738

Chief Executive's Remuneration (Audited)

	Salary (£)	Bonus (£)	Car Allowance (£)	2010-11 Total (£)	2009-10 Total (£)
John Adams	-	-	-	-	50,641*

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

Bronwyn Hill

Permanent Secretary, Department for Environment, Food and Rural Affairs
Accounting Officer for Food from Britain

7 May 2014

Statement on Internal Control

Background

As Accounting Officer for the Department for Environment, Food and Rural Affairs, I am required to prepare an annual Statement on Internal Control which explains the Department's governance arrangements, describes how risk is managed, and outlines our system of internal control and the stewardship of resources. This is available in the Department's Annual Report and Accounts³. Each of the Department's Network Bodies also produces its own Statement on Internal Control in their Annual Report and Accounts.

The introduction to this Annual Report explains that FFB ceased operations on 31st March 2009, but that it is not expected to be legally dissolved until early in the 2014-15 financial year. Until that time, responsibility for FFB's residual assets and liabilities and the preparation and publication of the Annual Report and Accounts rests with the Secretary of State for Environment Food and Rural Affairs. As part of these wind-up arrangements, the responsibilities of the FFB Accounting Officer have now passed to me as Defra Principal Accounting Officer, and this includes responsibility for preparing FFB's Statement on Internal Control.

These Accounts have been delayed in production, beyond the timescales as required by the Agricultural Marketing Act 1983, under which Food from Britain was established. This was whilst clarity on the future of the entity and clear reporting requirements were being established.

Internal Control and Governance

I can confirm, as indicated elsewhere in these accounts, that during 2010-11 FFB generated no expenditure or income, and that there are no outstanding liabilities, obligations or commitments. There was no activity of any other sort relating to FFB, and no issues arose which raise any concerns about residual governance or internal control. I am satisfied that the Department has in place appropriate arrangements to identify and address any residual issues if they were to arise.

Bronwyn Hill

Permanent Secretary, Department for Environment, Food and Rural Affairs
Accounting Officer for Food from Britain

7 May 2014

³ The Department's Annual Report & Accounts is available at <https://www.gov.uk/government/publications/annual-report-and-accounts-2010-11>

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

I certify that I have audited the financial statements of Food from Britain for the year ended 31 March 2011 under the Agricultural Marketing Act 1983. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, 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, certify and report on the financial statements in accordance with the Agricultural Marketing Act 1983. 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 Food from Britain's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Food from Britain; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report 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 certificate.

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

Opinion on Regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of Food from Britain's affairs as at 31 March 2011 and of its net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Agricultural Marketing Act 1983 and HM Treasury directions issued thereunder.

Opinion on other matters

In my opinion:

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

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

Emphasis of Matter

Without qualifying my opinion I draw attention to note one. Food from Britain ceased operations on 31 March 2009 and since 2008-09, the accounts have been prepared on a basis other than going concern. Dissolution of the entity was formalised through the Public Bodies (Abolition of Food from Britain) Order 2014. The accounts for 2010-11 have also been prepared on a basis other than going concern and reflect that all assets and liabilities have been discharged and that no further transactions have occurred.

Report

I have no further 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: 19 May 2014

Statement of Comprehensive Net Expenditure

for the year ended 31 March 2011

	Note	2010-11 £	2009-10 £
Income			
Exhibition and events		-	-
Other activities		-	-
Total income		-	-
Expenditure			
International network		-	-
Exhibitions and events		-	-
Regional food activity		-	-
Other activities		-	-
Operating expenditure		-	-
Staff costs	3	-	(11,697)
Administrative costs	4	-	(25,331)
Total expenditure		-	(37,028)
Net expenditure		-	(37,028)
Other Comprehensive Expenditure			
Net loss/(profit) on revaluation of property, plant and equipment		-	-
Net loss/(profit) on revaluation of intangibles		-	-
Total Comprehensive Expenditure for the year ended 31 March 2011		-	(37,028)

Statement of Financial Position

as at 31 March 2011

	Note	31 March 2011 £	31 March 2010 £	31 March 2009 £
Non-current assets				
Property, plant and equipment		-	-	-
Intangible assets		-	-	-
Total non-current assets		-	-	-
Current assets				
Trade and other receivables	5	-	-	102,234
Cash and cash equivalents	9	-	-	546,931
Total current assets		-	-	649,165
Total assets		-	-	649,165
Current liabilities				
Trade and other payables	6	-	-	(6,926,725)
Total current liabilities		-	-	(6,926,725)
Total assets less current liabilities		-	-	(6,277,560)
Non-current liabilities				
Provisions	7	-	-	(1,383,884)
Total non-current liabilities		-	-	(1,383,884)
Total assets less liabilities		-	-	(7,661,444)
Taxpayers' equity				
General reserve		-	-	(7,661,444)
Revaluation reserve		-	-	-
		-	-	(7,661,444)

Bronwyn Hill

7 May 2014

Permanent Secretary, Department for Environment, Food and Rural Affairs
Accounting Officer for Food from Britain

Statement of Cash Flows

for the year ended 31 March 2011

	Note	2010-11 £	2009-10 £
Cash flows from operating activities			
Net expenditure		-	(37,028)
Adjustments for depreciation and amortisation		-	-
Adjustment for non-cash items		-	-
Decrease in trade and other receivables	5	-	102,234
(Decrease) in trade payables and other liabilities	8	-	(6,839,945)
Use of provisions		-	-
Net cash outflow from operating activities		-	(6,774,739)
Cash flows from investing activities			
Purchase of property, plant and equipment		-	-
Purchase of intangibles		-	-
Proceeds of disposal of property, plant and equipment		-	-
Net cash outflow from investing activities		-	-
Cash flows from financing activities			
Grant in Aid from Defra	2	-	6,700,000
Transfer of cash balances to Defra		-	(472,192)
Capital element of payments in respect of finance leases		-	-
Net financing			6,227,808
(Decrease) in cash and cash equivalents in the period			
		-	(546,931)
Cash and cash equivalents at the beginning of the period	9	-	546,931
Cash and cash equivalents at the end of the period	9	-	-

Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2011

	General Reserve £
Balance at 1 April 2009	(7,661,444)
Changes in Taxpayers' Equity for 2009-10	
Grant in Aid from Defra	7,313,124
Settlements and curtailments	385,348
Recognised in Statement of Comprehensive Net Expenditure	(37,028)
Balance at 31 March 2010	-
Changes in Taxpayers' Equity for 2010-11	
Grant in Aid from Defra	-
Recognised in Statement of Comprehensive Net Expenditure	-
Balance at 31 March 2011	-

Notes to the Accounts

1 Accounting policies

These accounts cover residual expenditure following cessation of FFB's activities. As a result they have been prepared on a basis other than going concern. These accounts have been prepared in the form directed by the Secretary of State for Environment, Food and Rural Affairs, the Cabinet Secretary for Rural Affairs and the Environment in the Scottish Government, the Minister for Natural Resources and Food in the Welsh Government, and the Minister for Agriculture and Rural Development in Northern Ireland, with the approval of the Treasury, in accordance with the Agricultural Marketing Act 1983, as amended.

These accounts have been prepared in accordance with the 2010-11 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS), as adapted or interpreted for the public sector context.

2 Government grants

	2010-11	2009-10
	£	£
Grant-in-aid from Defra	-	7,313,124
Non cash grant-in-aid from Defra in respect of settlement of liabilities	-	(613,124)
Grant-in-aid disclosed in the cash flow statement	-	6,700,000

3 Staff costs

	2010-11	2009-10
	£	£
Staff salaries including amounts payable for redundancy, payments in lieu of notice and bonus payments	-	11,165
Social Security costs	-	532
Total	-	11,697

In pursuance of activity based costing, staff costs in 2010-11 were allocated to activities as follows:

	2010-11	2009-10
	£	£
Allocated to operating expenditure	-	-
Council	-	-
Chief Executive's Office	-	11,593
Finance & Administration	-	104
International Office Management	-	-
Allocated as overhead expenditure	-	11,697
	-	-
Grand total	-	11,697

The actual/average number of employees and Council Members during the year was:

	2010-11	2009-10
Employees	-	5
Council members	-	4
Total	-	9

4 Administrative costs

	2010-11	2009-10
	£	£
Include the following:		
Auditors remuneration for audit services*	-	15,000
Other operating lease	-	-
(Decrease)/increase in provision for operating lease	-	-
Increase in provision for Euroterrors	-	-
Depreciation and loss on fixed assets	-	-
Release from Government Grant Reserve	-	-
Net exchange (gains)/losses	-	1,498
Miscellaneous	-	8,833
Total	-	25,331

*The audit fee charged by the National Audit Office for 2010-11 has been accounted for in Defra's Resource Accounts.

5 Trade receivables and other current assets

	31 March 2011	31 March 2010	31 March 2009
	£	£	£
Amounts falling due within one year:			
Trade receivables	-	-	24,670
Other receivables	-	-	77,564
Total receivables	-	-	102,234

6 Trade payables and other current liabilities

	31 March 2011	31 March 2010	31 March 2009
	£	£	£
Amounts falling due within one year:			
Trade payables	-	-	35,306
Corporation tax	-	-	8,866
Other payables	-	-	762
Accruals and deferred income	-	-	6,881,791
Total payables	-	-	6,926,725

7 Provisions for liabilities and charges

	Scheme disposal	Annual Compensation Payments	Redundancy and payment in lieu of notice	Total
	£	£	£	£
Balance at 1 April 2009	1,259,818	40,182	83,884	1,383,884
Provisions not required written back	(385,348)	-	-	(385,348)
Provisions utilised in year	(874,470)	(1,555)	(83,884)	(959,909)
Provisions transferred to Defra	-	(38,627)	-	(38,627)
Balance at 31 March 2010	-	-	-	-
Balance at 1 April 2010	-	-	-	-
Provisions not required written back	-	-	-	-
Provisions utilised in year	-	-	-	-
Balance at 31 March 2011	-	-	-	-

8 Movement on liabilities

	2010-11	2009-10
	£	£
Total (decrease) in credits and provisions	-	(8,310,609)
Creditors and provisions transferred to or settled by Defra	-	1,470,664
Decrease in creditors and provisions disclosed in the cash flow statement	-	(6,839,945)

9 Cash and cash equivalents

	2010-11	2009-10
	£	£
Balance at 1 April	-	546,931
Net change in cash balance	-	(546,931)
Balance at 31 March	-	-

10 Events after the reporting period

There have been no circumstances or events subsequent to the year end which require adjustment.

Dissolution of the entity was formalised through the Public Bodies (Abolition of Food from Britain) Order 2014 which was laid on the 6th May 2014.

The Annual Report and Accounts were authorised for issue by the Accounting Officer on 19 May 2014.

11 Related party transactions

There were no related party transactions in 2010-11.

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