



Report & Accounts  
2007/2008



# Report & Accounts 2007/2008

Presented to Parliament

Pursuant to Section 7 of the Industrial Organisation and Development Act 1947 as amended by the Government Resources and Accounts Act 2000 (Audit of Public Bodies) Order 2003

Ordered by The House of Commons to be printed on 21st July 2008

Laid before the Scottish Parliament by the Scottish Ministers. The Accounts will be submitted to the Minister for information, and copies will be made available in the Welsh Assembly Government and National Assembly for Wales libraries.

House of Commons no: HC771

Scottish Government no: SG/2008/97

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A close-up photograph of a white ceramic bowl filled with roasted potatoes and green beans. The potatoes are cut into chunks and have a golden-brown, slightly crispy skin. The green beans are bright green and appear to be sautéed. The bowl is resting on a light-colored surface, possibly a tablecloth.

## Through the BPC, the British potato industry has continuously invested in its own future

The BPC understands the business environment for potatoes and uses this understanding, experience and insight to present information and analysis designed to help the industry shape a positive future.

BPC activities are clearly focused on the key, twin objectives of:

- Increasing usage of potatoes.
- Ensuring that the British potato industry is competitive and best placed to exploit market opportunities.

This work is funded by industry levies collected from GB potato growers and from the processors and packers who are the primary purchasers of their produce.

This document reports the eleventh year of the Council's operations – a shortened 'year' of nine months before BPC is absorbed into the new structure of the Agriculture and Horticulture Development Board.

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# Introduction



This has been a most difficult season for the potato sector: untold damage caused by extreme weather was compounded by very significant input cost prices. It is tribute to the fortitude and skills of our supply chain that they have coped so well.

In this, the eleventh and final Chairman's introduction for the BPC Report and Accounts, we are reporting a shortened 'year' of nine months. The challenges of this period of transition into Potato Council have been to ensure 'business as usual' and to achieve all of our objectives. I believe we have maintained a remarkable degree of focus and credit is due to the professionalism and dedication of the BPC staff: they are to be congratulated on this.

Council members have remained engaged and six have been elected to the new Council – they will certainly bring experience to the task and I believe will be invigorated by the new challenges.

Operationally, our outputs have been very visible with strong success in our Autumn campaign 'Challenge Potatoes To Give You More'. The enduring value of 'Grow Your Own Potatoes' is evidenced by the fact that the number of schools participating has doubled to more than 8,000! This project is also linked to our support for the Year of Food and Farming.

Our marketing objectives are centred on generic issues such as health and convenience and with influencing and 'capturing' the next generation of consumers. We achieve tremendous media coverage through these campaigns and this represents a very significant return on levy payers' investments.

Research & Development, Seed & Export and Market Information all continue to provide valuable information and support to levy payers – helping them to shape their crop management and investment strategies. Issues management has been of special importance this year: CIPC and the Codex draft recommendation for acrylamide have dominated the agenda with both issues requiring intensive inputs by BPC – and acceptable outcomes achieved in both instances.

Two particular challenges remain for the new organisation: continuing the drive for training of agronomists linked with a higher priority for Knowledge Transfer within packer/processor businesses; and the approval of the Sutton Bridge Experimental Unit (SBEU) business plan.

The new Potato Council starts its life with a strong group of Council members, a dedicated staff and a strong inheritance and I wish it every success.

A handwritten signature in black ink that reads "David Walker".

David Walker  
Chairman



# Increasing usage

# Campaigning to create awareness and prompt action

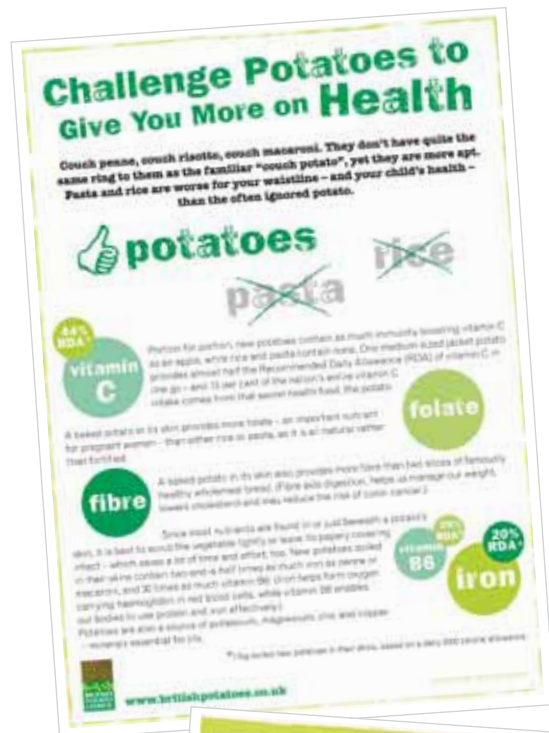
## Promotional campaigns

Our promotional campaigns remain highly focused, carefully targeted and with an innovative twist. That's why they continue to produce such impressive results in terms of consumer awareness and media coverage. It's also pleasing that they successfully engage the industry as well.

PR-led campaigns during the key summer and autumn periods aim to be as high-profile and to generate as much interest and publicity as possible. This year has been particularly successful using the theme 'Challenge potatoes to give you more'.

The key objective was to increase consumption of British potatoes by encouraging busy mothers with young children to substitute a rice or pasta dish with a potato one. The campaigns promoted specific health messages under the overall banner that potatoes are an important part of a healthy balanced diet, in particular that potatoes are:

- lower in fat and have fewer calories than pasta and rice.
- quick and easy to prepare, often in less than 15 minutes.
- delicious and versatile.





In addition to the key 'driver messages' of health and convenience, the campaign also emphasised the fact that potatoes are a truly 'local' product, grown all over Britain.

Two measures in particular show the effectiveness of the campaigns: the first is the £1.1million worth of press coverage generated by our activity; the second the fact that the number of consumers who regard potatoes as the healthiest choice of carbohydrate increased to 29% (from 22%) while pasta saw a commensurate decrease of 5% (from 27% to 22%). Incidentally, the message that 'potatoes are low in fat' has also seen a sharp rise in consumer perception - from 14% to 24%.

When it comes to generating mass coverage in the media, National Chip Week has consistently proved to be a winner – and this year has been outstanding. Research shows that consumer awareness of 'The Week' doubled. Celebrity involvement secured national media exposure and more than 70 TV, radio and press interviews promoting National Chip Week took place, delivering the message that chips can be eaten as part of a healthy, balanced diet.

The BPC's 'Grow Your Own Potatoes' project has grown to become the biggest schools activity of its kind. More than 10,000 schools signed up to take part in this, the fourth year of the event. The industry continues to embrace wholeheartedly a project that very successfully tells children how and where potatoes are grown and gets across the message of the role potatoes have in a healthy, balanced diet.

### Practical use of research

BPC continues to develop and refine its work in the field of Knowledge Transfer. Initiatives such as our grower collaboration project stem directly from our recent review of KT programmes. Of major significance is the greater understanding that now exists of how information moves between researchers, intermediaries and levy payers. The initial benefits can be seen in our work on fertiliser and seed costs.

At the same time, BPC continues its very active programmes of producing information leaflets and advice notes and of hosting meetings to deliver information directly to levy payers. In the past year, particular emphasis has been placed on soil management, energy costs, disease management and fungicide application – all of which featured at more than 60 meetings throughout the country, including BP2007.



# Increasing usage

## Best Practice

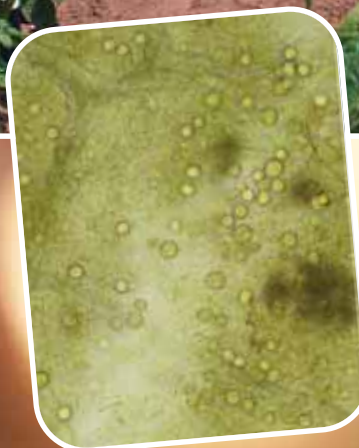
Much emphasis has been placed on our work on soils and water – where our twin aims are to encourage growers to maximise production benefits while at the same time ensuring they minimise the burden of complying with legislation. The BPC has led the cross sector work of the Applied Research Forum in this area by creating a new website and establishing a set of case studies. At the same time we have maintained our sector focus in delivering information specifically relevant to the potato industry. BPC has worked in partnership with the Catchments Sensitive Farming Delivery Initiative and the activity has culminated in the production of a new soil guide for potato producers.

Our on-going work to encourage best practice to improve store management, delivered through workshops and tailored training programmes, has seen excellent results: the proportion of growers who undertake weekly quality control tests, for example, has doubled. To ensure that storage practices in all sectors are good enough for today's demanding marketplace, added emphasis has been placed on the efficient use of energy in storage facilities.

## Advisory Services

A record-breaking year started with unprecedented aphid pressure followed closely by exceptional blight pressure. The direct result was a 20% increase in visits to our website, where information was continuously updated. All literature on the subjects was also reviewed to ensure its relevance. Stakeholder meetings on both subjects ensured we were able to examine user needs and further develop our understanding and capability in both areas and this work here will continue to be developed.

More recently, groundbreaking analysis of the GB blight population has been made possible through the use of national disease incidence maps. An effective network of scouts provides an 'early warning' of outbreaks and blight mapping on the BPC website - which received 17,000 enquires last year – has resulted in growers reporting saving at least one blight spray in a season. Again, our work on the value of certain fungicides has helped the industry make informed choices in our campaign to promote best practice in blight management.







# Increasing GB competitiveness

The BPC works to increase GB competitiveness by undertaking targeted research and development and by communicating the findings alongside under-exploited knowledge.

Activities focus on:

- Improving knowledge and understanding
- Campaigning to create awareness and action
- Creating dialogue and putting the industry's case.

Detailed information on activities and results achieved is reported in the Chapter 'Progress against Corporate and Business Plans' starting on page 18.

## Improving knowledge and understanding

### Research & development

The BPC's R&D programmes are guided by the objective to increase GB competitiveness by improving quality, increasing efficiency and reducing costs.

Among the key research projects completed during the past year was work on DNA-based diagnostics. This has involved the development of rapid, reliable tests to detect important potato pathogens along with the provision of information on how the test results can be interpreted to improve disease management.

Work is also underway to extend the use of diagnostics to the detection of Potato Cyst Nematodes. The work will help the British industry meet the requirements of the new EU Directive on PCN due to come into force in 2010.

BPC projects on blight continue to track changes in GB populations of *Phytophthora infestans* and provide new information on the implications for blight management.

A large data table with multiple columns and rows. The columns are labeled with various potato varieties (e.g., Désirée, Charlotte, etc.) and pathogens (e.g., P102, P111, P113, etc.). The rows contain numerical data representing the results of DNA-based diagnostics for each variety and pathogen combination. The table is color-coded with different background colors for each column group.





New disease resistance information for a further 16 varieties has been delivered by the BPC Independent Variety Trials programme. This was the third year of the programme in its new format and, as a result of its success, a further three-year period of trials, run by SASA, SAC and SCRI, has been commissioned.

A separate project is providing updated information on variety susceptibility to Potato Mop Top Virus. To date, the trials have provided information on variety responses when clean tubers are planted in infected soil. Trials in 2008 will assess the effect of planting PMTV-infected seed potatoes on crop yield and quality.

A project to understand the factors that underpin taste and texture in tubers has been completed. The work has identified the volatile compounds, produced when tubers are cooked, which contribute to a variety's flavour. Ultimately this information will provide methods to assist breeders to produce new varieties that are likely to have the best flavour. The project is one of 7 LINK projects in which BPC is involved. The projects are co-funded by Government departments and a range of industry sponsors, providing additional value for levy payer investments in research.

Another of the LINK projects has provided new information on common scab in potatoes. Previously a single species of bacteria was thought to be responsible for the disease in Britain. The project has shown that several species are involved and that they can vary from field to field. Work is being carried out to evaluate non-water based control options and to identify opportunities to optimize the use of irrigation for scab control.

New research also started during the year on the impact of store atmospheres on the taste and texture of stored tubers, options for reducing the energy costs of potato storage and the potential to predict the risk of skin spot developing in store. Work has also begun to provide improved seed rate recommendations, to maximise marketable yield, for a wider range of cultivars. This follows on from the successful release of the seed rate recommendations for Estima in 2007.

# Increasing GB competitiveness

The BPC's research on CIPC over several years provided the industry with the technical information needed to prepare a Stakeholder Action Plan for the Advisory Committee on Pesticides to address concerns about the risk of exceeding maximum residue levels (MRL). This has ensured the continuing availability of CIPC for the industry.

Strategies to mitigate against consumer exposure to acrylamide have been identified in a draft Codex Code of Practice and the R&D team has worked actively with government departments to ensure that the proposed measures do not have an adverse effect on the industry whilst still protecting the interests of consumers.

Building on the successful inaugural meeting of levy bodies held in February 2007, the R&D and Marketing department teams have continued to improve international links with partner organisations in Australia, New Zealand and South Africa. There has been information exchange and peer review of research projects to avoid duplication and ensure effective technical collaborations are developed and the teams have worked together to develop common positions for issues management.

## SBEU

SBEU continued its programme of collaborative research with industry into the use of slow speed ventilation to assist the application of CIPC to bulk stores. Trials were initiated to investigate the accumulation of carbon dioxide in stores and to explore its interaction with the use of ethylene as a sprout suppressant. New data was collected to refine the risk assessment of black dot development in store whilst PCR diagnostic testing for the prediction of skin spot was trialled in conjunction with CSL. SBEU also provided storage for a HortLINK onion project and external private project income exceeded £85K.

SBEU organised a major international storage event which included the BPC's Potato Storage 2007, the 4th EAPR/FNK/UEITP Potato Processing conference and a meeting of the European Association for Potato Research's Engineering & Utilisation Section.









## Functions

The British Potato Council (BPC) was established by the Potato Industry Development Council Order 1997 under the Industrial Organisation and Development Act 1947 and came into being on the 1st July 1997.

Its main functions as required by the Order are to fund research and development, transfer technology, collect and disseminate market information and to advertise and promote potatoes to consumers at home and in export markets.

## Membership

The Council consists of 16 members appointed jointly by the Agriculture Ministers. Nine members are growers, three represent the industry beyond the farm gate, one has specialist marketing knowledge, another represents the interests of employees in the industry and two, including the Chairman, are independent. There were no changes in membership during the year.

## Principal activities

The BPC is accountable for:

- Collecting the levy from all eligible producers and purchasers
- Identifying and commissioning R&D projects appropriate to the near market needs of the industry, taking into account R&D work carried out by other organisations
- Communicating R&D findings to the industry and encouraging their uptake
- Collecting market information/statistics and disseminating these in a manageable and effective way
- Undertaking targeted consumer marketing activities and joint promotional work from grower to retailer
- Encouraging cross-industry

communication to improve competitiveness and supply to consumers

- Examining and promoting integrated crop management practices to ensure sustainable potato production while safeguarding the environment
- Promoting and developing seed export trade.

## Policies

As an executive Non Departmental Public Body, the Council has adopted the principles of the Nolan Report wherever practical and appropriate. This has included a Code of Best Practice for Council Members, a Code of Conduct for Staff and a Register of Members' Interests. The Council has also adopted the Code of Practice on Access to Government Information and built on this where appropriate. The Council's own Code on Openness gives details of its activities and the information it provides, and explains how to gain access to it.

The Council is committed to the principles of Service First, the new Charter Programme. It has developed its own Citizen's Charter, which shows how those principles have been incorporated into its operations and sets out the standards of service customers can expect.

The Council is bound by the terms of the Freedom of Information Act 2000, and the Environmental Information Regulations 2004, and has produced Publication Schemes, which have been approved by the Information Commissioner, as well as an Information Asset Register. These documents can be accessed from the BPC's website ([www.potato.org.uk](http://www.potato.org.uk))

The Council values diversity and equal opportunity for all staff and

potential recruits and we welcome applications from all sections of the community. We do not discriminate on grounds of race, gender, ethnic origin, disability, age, sexual orientation, faith or any other factor irrelevant to a person's work. All applicants who join the Council and all Members of the Council are treated equally for employment and advancement on the basis of their ability, qualifications and fitness for the appointment.

It is the Council's policy to settle all accounts for goods and services, unless subject to dispute, in accordance with the terms agreed at the time of placing the relevant contracts or orders.

## Levy collection

Under the Potato Industry Development Council (PIDC) Order 1997 (as amended) producers and purchasers of potatoes are required to register with the British Potato Council, to provide 'returns' (details of their potato plantings or purchases) and to pay a levy.

The PIDC (Amendment) Order 2002, which came into effect in 2003, introduced a two-tier system of levy rates, comprising an ordinary rate for payments received by the due date and a higher rate for payments received after the due date; this applies to both producers and purchasers.

The registration thresholds for producers and purchasers are three hectares and 1,000 tonnes per annum respectively. There is a system of voluntary registration for smaller businesses wishing to take advantage of BPC services, information and so forth. Against payment of an annual subscription they have access to all the services on offer.

For 2007/08, the following levy rates

were approved by the Ministers:

- Area levy – ordinary rate £39 per hectare; higher rate £44 per hectare
- Tonnage levy – ordinary rate 17 pence per tonne; higher rate 19 pence per tonne.

Area levies fell due on 1st December 2007 and invoices were issued before the end of October. Tonnage levies were invoiced quarterly in arrears, based on monthly returns of tonnage purchased. Purchasers who did not make monthly returns were invoiced according to estimated tonnage and adjustments were made when actual returns were received. A system for estimating plantings, where producers had failed to make area returns, was also in place.

In 2007/08 2,994 growers were registered, covering 124,520 hectares and giving rise to a total levy of £4,944,000. Additionally, 401 purchasers were registered paying £830,000 in levy. This relates to a nine month period and includes an estimated figure for Quarter 3 (January to March 2008).

In the interests of fairness to all, and in line with its statutory obligations, the BPC has taken a robust stance on levy collection. As a result, 97% of the 2007/08 producer levy and 78% of the estimated 2007/08 purchaser levy has been collected. At the end of the previous financial year, 99% of the 2006/07 producer levy and 99% of the 2006/07 purchaser levy had been collected.

Action is continuing to collect the outstanding balance through a combination of warning letters, contact via field staff, audit visits and court action. Over the last ten years, 4,021 debts have been passed to the BPC's legal debt collection team for action (268 in 2007/8). 3,136 (236 in 2007/8)

of these (totalling £4,766,549) (£394,001 in 2007/8) related to producers and 885 (32 in 2007/8) (totalling £1,242,676) (£29,406 in 2007/8) related to purchasers. It was necessary to issue Court Claims in the case of 520 producers (5 in 2007/8) and 61 purchasers (none in 2007/8).

Whereas debt collection is a matter of civil law, failure to register and to provide returns and other information is dealt with under criminal law, administered by the Magistrates Courts in England and Wales and by the Sheriffs Courts in Scotland. In order to save solicitors' costs, an in-house system for prosecutions is in operation and has proved very effective. Where returns are not received, despite reminders and warning letters, staff issue summonses.

Since the BPC's inception, 2,169 cases (producers and purchasers) (398 in 2007/8) have been referred to the legal team for action. 294 (29 in 2007/8) producers and 22 (none in 2007/8) purchasers have been summonsed by Oxford Magistrates Court. The great majority provided the outstanding returns in response to this, while 37 (1 in 2007/8) were convicted, fined and ordered to pay costs to the BPC.

## Committees

The Council has established a number of committees to develop strategy and to ensure that the organisation performs its duties in an open and accountable fashion. Committee Members were drawn from Council Members as listed on page 16 (the Marketing Strategy, Market Information and R&D Committees, as well as the Seed Sector Group,

include representatives of the industry who are not Council Members).

Committees exist for the following functions:

- Marketing Strategy
- Research & Development
- Market Information
- Seed Sector Group
- Audit

### Performance measures

- ✓ = the activities set out for this period have been delivered
- 🕒 = the activities set out for this period are underway but have not been completed in the targeted time
- ✗ = the activities have been cancelled or deferred

#### Collection of at least 99% of all overdue debts within 12 months.

- ✓ Levy collection performance by year is as follows (action is continuing and collection rates will rise accordingly):

	Producers	Purchasers
1997/98 levy collection	99+%	99+%
1998/99 levy collection	99+%	99+%
1999/00 levy collection	99+%	99+%
2000/01 levy collection	99+%	99+%
2001/02 levy collection	99+%	99+%
2002/03 levy collection	99+%	99+%
2003/04 levy collection	99+%	99+%
2004/05 levy collection	99+%	99+%
2005/06 levy collection	99+%	99+%
2006/07 levy collection (at 30 June 2007)	99%	99%
2007/08 levy collection (at 31 March 2008)	97%	78%

We are confident that that we will have received at least 99% of all due levies by the end of the season.

#### ✓ Use of GIS system to ensure levy fairness.

The GIS system is fully implemented and is administered by two dedicated field officers. Their area monitoring activities covered ca 30% of the total crop. Final figures for undeclared area are not yet available but it is expected that they will amount to approximately 2,000 ha (1,200 ha in the previous year).

#### ✓ Auditing of purchaser tonnage.

94 purchasers, responsible for 1,903,000 tonnes (30% of the total tonnage), were audited; 14,600 tonnes of unrecorded crop was identified and followed-up.

# Council Members ( 2007/08)

Council Member	Committees and working groups on which members served					
	Audit	Market Information	Marketing Strategy	Research & Development	Sutton Bridge Experimental Unit †	Seed Sector Group
Janet Bainbridge				✓C		
Colin Bradley		✓				
Robert Doig						✓
Douglas Harley						✓C
Richard Harris		✓C	✓	✓		
James Harrison				✓		
Barry Leathwood	✓					
Kevin Littleboy	✓C					
Richard Maddocks		✓				
John Rix						
Fraser Scott		✓#	✓			
Alex Stephens				✓		
Nick Twell	✓		✓			
Nick Vermont			✓C			
David Walker	✓	✓*	✓*	✓*		✓*
Duncan Worth				✓	✓	

C = Committee Chairman.

† = The operations of Sutton Bridge Experimental Unit Ltd have been transferred to the Council and the company is non-trading.

\* = Council Chairman David Walker is ex officio member of Marketing Strategy, Market Information, R&D and SSG Committees.

# = Fraser Scott – joins the Market Information Committee in March 2008. Kevin Littleboy – ceased being a member September 2006.



# Members' attendance at Council meetings ( 2007/08)

Member	Sept 2007	Dec 2007	Mar 2008
Janet Bainbridge	O	✓	✓
Colin Bradley	✓	✓	✓
Robert Doig	✓	O	O
Douglas Harley	✓	✓	O
Richard Harris	✓	✓	✓
James Harrison	O	✓	✓
Barry Leathwood	✓	✓	✓
Kevin Littleboy	✓	✓	✓
Richard Maddocks	✓	✓	✓
John Rix	O	✓	✓
Fraser Scott	O	O	✓
Alex Stephens	✓	✓	✓
Nick Twell	✓	✓	✓
Nick Vermont	✓	✓	✓
David Walker	✓	✓	✓
Duncan Worth	✓	✓	✓

✓ = *Attended*

O = *Did not attend*

# Progress against Corporate and Business Plans

There are two fundamental prerequisites for the success of the GB potato industry:

- The continued consumer demand for potatoes and potato products
- The competitiveness of the GB industry to fulfil that demand in preference to imported product.

Only by focusing everything that we do and by measuring the success of our delivery against those criteria, can BPC provide a meaningful return on levy investment.

A major and strategic review of BPC activity and programmes was completed in 2003 and shaped a three-year Corporate Plan. It set clear areas of focus against the objectives of increasing potato consumption and improving GB industry competitiveness. It established a programme of activities clearly prioritised in terms of BPC's ability to make a real difference.

Because of the Radcliffe Report, the subsequent formation of the Agriculture and Horticulture

Development Board and its 'Fresh Start' process, it was agreed that the 2003-06 Corporate Plan should not be formally updated. Instead - and recognising the dynamic nature of a market driven by rapidly evolving consumer demand - it was agreed that a detailed Business Plan should guide 2006/07 and the nine months 2007/08 programmes of activity. Progress against that nine-month plan is detailed in the following pages, with reports prepared on a departmental basis.

## The following symbols are used to categorise progress:

- ✓ = the activities set out for this period have been delivered
- 🕒 = the activities set out for this period are underway but have not been completed in the targeted time
- ✖ = the activities have been cancelled or deferred

*The key to the abbreviations used in the following section is given on page 28.*

## Marketing

### **Produce a new category report - 'Potatoes a Healthy Market' - to share key findings with levy payers by September 07.**

- 🕒 Copy drafted including latest research and report now in proof stage. Due to be disseminated in July 2008. Delayed due to staff changes.

### **Additional research – Undertake a gap analysis by September 07, using marketing groups and other relevant individuals, to identify where further research is needed. Using the findings from the gap analysis prepare a market research plan by September 07 and commission research projects that fill in the knowledge gaps.**

- ✓ Working groups held with industry in July 2007 to identify research gaps. Research projects commissioned and completed on packaging, and on the 'pre-family' and 'single' markets. Communication of research to industry ongoing.

### **Use existing BPC publications to communicate campaign activity to maximise levy payer involvement in relevant activity. Measures of success to be agreed for each campaign.**

- ✓ Plans and successes regularly communicated to industry through BPC publications, workshops, and one-to-one meetings. Successful workshop meetings held for all project and campaign work, in particular for National Chip Week and foodservice sector activity.

### **Working within agreed budgets, targets and timescales, maximise BP2007 visitor numbers: target 6,600 visitors (10% increase on BP2005), 30% of registered hectareage (22% in 2005) and a minimum of 200 paying attendees to the industry dinner and 200 to the conventions.**

- ✓ BP07 was an excellent event, with very positive feedback received from industry and attendees. The conventions were slightly less well attended than hoped for, but the high attendance at the seminars on the BPC stand outweighed this.

### **Continue BPC Update in line with the existing format (5 issues)**

- ✓ BPC Update sent out on a monthly basis to all levy payers,

### **Conduct a full review of levy payer communications by September 07 to make sure they meet the wider strategies of the BPC. Any changes to communication vehicles to cost no more than budgeted amounts.**

- 🕒 On hold due to transition to AHDB. NB: The 'industry dialogue' consultation process with all levy payers initiated in April 2008 will contribute to this.

### **Work with Government agencies including FSA, DOH, School Trust Fund and other key influencers and stakeholders (i.e. FPC, NFU) to keep abreast of issues that affect Britain's potato industry and report back as necessary.**

- ✓ BPC continue to have close relationships with key industry stakeholders. Recent examples of work include: FSA on acrylamide; nutritional guidelines with the BNF; and regular meetings with the NFU. The International Year of the Potato 2008 is an example of international collaboration, for which BPC is taking a leadership role for GB activities and providing press office facilities.

### **Understand how the BPC can assist the industry to respond to the opportunities for potatoes in the foodservice industry. Any action plan to improve understanding to be agreed by September 07.**

- 🕒 Workshop meeting held in September 2007 to get industry input on this area. Attended by key industry representatives, and constructive suggestions received for future planning. Following consideration of the BPC's work in foodservice, the Marketing Strategy Committee decided that the focus of work in foodservice would be research based.

**Prepare and execute a communications plan, by August 07, to levy payers which highlights opportunities for potatoes in school menus based upon BPC School Meal research (May 07) and utilising BPC resources.**

- ✓ Communications ongoing through excellent trade press coverage, promotional features, and direct mailing of the LACA database. The publication 'Spuds Rule OK' was produced specifically for school caterers. Resources continue to be mailed out and downloaded.

**Undertake a trade PR plan for the BQCC initiative.**

- 🕒 Following consultation with key members of the BQCC it was decided that the initiative should be reviewed. A full review is planned for summer 2008, and in the meantime all PR is now placed on hold.

**Commission and communicate TNS retail information and consumer trends etc to retailers and their supply chains.**

- ✓ BPC Retail Report issued monthly.

**Provide a range of toolbox items for levy payers to respond to and/or co-operate effectively with BPC activities. These will include the Promotional Vehicle (Target 30 bookings for the vehicle for 2007/8); the ability to print and personalise BPC designed literature for individual levy payer use and the updating and communication of the 'Retail Promotions Guide'.**

- ✓ The promotional vehicle continues to be hired, and positive feedback received. The new Design and Resource Centre for levy payers to tailor BPC marketing materials was launched in February and well received. A nutritional guideline book is in development for distribution to levy payers in summer 2008, highlighting labelling laws, pre-approved on pack messages and nutritional values. The industry remains supportive of marketing initiatives, particularly of the Grow Your Own Potatoes project.

**Develop and execute tangible benefit-led PR campaigns aimed at increasing the use of potatoes in consumers' meal repertoires. Campaigns to be based on key life stages and draw on key health and convenience messages derived from BPC consumer research. The focus for 2007/08 is to provide healthy, nutritious and inspirational meal ideas and by increasing awareness of potatoes as a low fat/low calorie food item. Campaigns to use a variety of tactics i.e. spokespeople/influencers, celebrities, websites, road shows etc.**

- ✓ The health PR activities for 2007 were based on the theme 'Challenge Potatoes to Give You More', and aimed at busy mums and younger families encouraging them to swap a pasta or rice dish in their meal repertoire for one that included potatoes. Food celebrities Gregg Wallace and Barry McGuigan were used as media hooks, resulting in national and regional press coverage. In the period from July to October national and regional media coverage of an AEV £1.1 million was achieved, with an audience of 135 million reached. 15 road shows were held throughout the country in shopping areas and retail car parks, with a total of 24,000 recipe booklets distributed. www.britishpotatoes.co.uk was successfully relaunched, with a total of 51,000 hits during the campaign period.

Tracking of consumer attitudes showed positive changes around campaign periods.

**Improve and promote the existing BPC resources (Potato Day packs and Jacket Potato Bar packs) to school meal providers. Target 3,000 Potato Day packs and Jacket Potato Bar packs requested from July 07-March 08 and to increase the number of potato dishes offered on school menus by 10%.**

- ✓ All educational materials continue to be promoted to school meal providers through trade, educational press and the LACA database. More than 3,000 Potato Day packs and Jacket Potato Bar packs were requested and the number of potato dishes on school menus is under evaluation.

**Implement a comprehensive evaluation programme that analyses each benefit led PR campaign to demonstrate the effectiveness of marketing expenditure to levy payers. Evaluation to include: i) quantitative and qualitative analysis of press coverage including volume, audience, advertising equivalent value (AEV), tone of coverage and ii) consumer awareness figures that monitors shifts in consumer awareness 4 times a year.**

- ✓ Full evaluation conducted for all campaigns. Quarterly consumer health tracking conducted, which has indicated positive shifts for potatoes in comparison to rice and pasta in terms of fat and calorie content.

**Chip Week – Carry out Chip Week in Feb 08 with the objective of creating £2m AEV of positive coverage; which involves at least 800 fish and chip shops, which increases awareness of chips and chip week by 8% and which actively involves levy payers in PR and other activity including, for example, in store promotions.**

- ✓ National Chip Week 2008 exceeded the objective set - £3m AEV from 550 pieces of positive national and regional media coverage reaching an audience of 130 million, 805 chip shops participated, and levy payers organised in store promotions, on bag stickering, and displayed lorry stickers. Consumer awareness increased by 6 percentage points, however higher pre-campaign awareness due to national radio activity in this period impacted on this.

A post campaign survey with participating shops indicated that 91% of participating shops were satisfied / very satisfied with the promotion, and 67% saw an increase in sales during the week. Preparations have started for National Chip Week 2009.

**Execute campaigns that educate children on where potatoes come from and the importance of potatoes as part of a healthy balanced diet. Activities to include the continuation of Grow Your Own Potatoes (target 8,000 schools from c4,000 in 06/07); maintaining and evolving the www.potatoesforschools.co.uk website, maximising opportunities to talk to children through the 'Year of Food and Farming' which runs from Sept 07 to July 08. To involve levy payers through an 'Adopt a School' scheme so that at least 500 farmers visit schools (or schools visit farms) during the 2007/8 academic year.**

- ✓ 10,000 primary schools registered to take part in Grow Your Own Potatoes 4 (the equivalent of 350,000 school children learning about how potatoes grow and the role of the potato in a healthy balanced diet). The project continues to be very well supported by levy payers, WCF Phoenix and Greenvale AP supplying seed, and others visiting schools on the planting day and inviting on to farm, to the pack house etc. Press coverage so far for Grow Your Own Potatoes 4 has also been very strong, with support from the national newspaper The Sun. Regular contact with levy payers regarding visits and requests for support materials, along with press coverage indicate the target 500 visits is achievable.

BPC supported the Year of Food and Farming by encouraging schools to participate in Grow Your Own Potatoes, increasing the numbers of places available specifically for the year. Also a financial contribution was made.



# Progress against Corporate and Business Plans

**Execute PR based campaigns to the profit sector of the foodservice industry with the objective of improving the quality and variety of potato dishes on menus (with a particular emphasis on children). Activities to include:**

- the development of [www.potatoesforcaterers.co.uk](http://www.potatoesforcaterers.co.uk) to increase visitor numbers by 10% on 2006/7 figures
- manage and execute Great Potato Challenge 3 and increase entrants to the competition by 30%.
- Develop new potato recipes that can be easily repeated and used by chefs and caterers.
- Promote educational material (created June 07) about potato varieties and handling, storage etc to all UK catering colleges by the end August 07. The target is for at least 50% of all catering colleges to be teaching students about potato handling, storage and preparation of potatoes by June 2008.

⌚ The Great Potato Challenge 2008 was a great success, with six finalists taking part in a cook off in London. Ten colleges participated compared to six in 2006. Coverage with an AEV of £62,000 was gained, from 82 pieces of coverage.

The development of [www.potatoesforcaterers.co.uk](http://www.potatoesforcaterers.co.uk) and the new recipes are on hold due to change of the foodservice strategy.

Copies of the 'Definitive Guide to Potatoes' and foodservice variety poster sent to all catering colleges (110), all foodservice contacts advised of activity.

**The pro-active management of emerging issues and the timely and effective response to reactive issues, ensuring that relevant industry contacts are kept informed.**

✓ Issues covered: GM potatoes, quangos, flooding, labelling. Total press calls received – 180.

**Manage the issues management programme to ensure consistency of message across all BPC and relevant industry organisations, including liaison with government and other bodies as necessary.**

✓ Media management manual eg. for National Chip Week and Q&A's produced and communicated to industry when necessary.

## Sutton Bridge Experimental Unit

**Run Unit in accordance with Business Plan for 2007/8 within the new 5 Year Plan for 2007-12. Identify opportunities for new work on storage-related research projects and develop proposals that address industry priorities.**

⌚ New 5 Year Plan adopted by Council with a recommendation for capital development on handover to AHDB.

Further environmentally-focused developments dependent on capital investment which is currently under review

⌚ New QPCR disease diagnostic facility set up.

**Operate advisory activities from SBEU with a target of 600 contacts by end March 2008.**

✓ 208 enquiries received; 87% answered in 3 days

✓ Six storage bulletins issued to over 900 subscribers

✓ Presentations made to 13 levy payer meetings/ workshops nationwide

**Continuation of approved research projects on CIPC sprout suppressant with appropriate monitoring against contract milestones and annual reporting. KT to form part of ongoing storage campaign.**

✓ CIPC trials completed in accordance with plans, in collaboration with industry

✓ Use of speed-controlled ventilation to assist application in bulk stores has reduced chemical use and enhanced efficacy

✓ Industry CIPC Stewardship Group established

**Complete storage research projects on fungal pathogens with appropriate monitoring against contract milestones, annual reporting and post-completion review by the R&D Committee.**

✓ Black dot trials completed in accordance with plans

✓ Black dot guide prepared to provide guidance on risk management

✓ Skin spot diagnostic test successfully validated

✓ CASE studentship on machine vision identification of blemish diseases progressing well

**Deliver the AssiStore decision support system for storage. Release system to industry for evaluation by beta-users in autumn 2007. Obtain user feedback on operation.**

⌚ Further evaluation work undertaken at 5 sites

⌚ Positive support from users, especially at grower level

⌚ Wider release dependent on funding of resources for further refinement and to provide user support

**Undertake new project to investigate the impact of carbon dioxide levels in store on tuber quality.**

⌚ Evaluation work to assess impact on taste and texture and disease is on-going

⌚ 14 commercial stores monitored: wide range of differing carbon dioxide levels (0.3-3%) identified

⌚ Remedial measures to be evaluated in 2008/09

**Sutton Bridge Experimental Unit - external contracts and services (income) - secure third party income to the value of £60k to 31 March 2008.**

✓ Work to the value of £62k secured for period

✓ Trials include HortLINK onion storage project

**UContinue international liaison with other storage centres, e.g. disease diagnostics, energy efficiency.**

- 🕒 Further contacts with researchers in Australia, Canada and USA on disease control and sprout suppression
- 🕒 Potato Russia event in Moscow and EAPR pathology section meeting in Finland attended
- 🕒 Overseas visitors from Australia, Finland, Sweden and USA received at SBEU

**Carry out, in liaison with other levy organisations, a review of energy use and efficiency in stores taking on board cross-sector R&D knowledge and commercial experience. Aim to maximise any potential synergy and learning from other sectors. Interpret generic information for potato storage to improve efficiency of energy use and minimisation of environmental impact and disseminate findings via agreed storage KT campaign.**

- ✓ Energy use successfully monitored in 8 stores in 2007/08. Plans in progress to extend this to over 30 stores in 2008/09
- ✓ Year 1 assessment of inverter use in stores completed
- ✓ Ground source heat pump system installed at horticultural site in spring 2008 for on-going evaluation

**Develop and implement a storage KT campaign.**

- ✓ Campaign undertaken to address three areas:
  - Storage costs and energy use
  - Application of CIPC to meet new MRL
  - Control of black dot
- ✓ Themes promoted at BP2007 event
- ✓ Press coverage secured in Farmers Weekly and Potato Review

**Carry out a revision of the BPC Store Managers' Guide to bring the publication up to date to allow PCL to publish this document in 2008.**

- ✓ Guide revised for publication in July 2008

## Research & Development

**Cross sector collaboration: Work with Applied Research Forum to understand and identify resource savings and develop best practice.**

- ✓ ARF has provided the focus for cross sector R&D activity on soils, water and rotations and generated information to support the development of the AHDB R&D strategy.

**International Links: Work with potato industry levy organisations from overseas to identify and exploit new collaborative opportunities.**

- ✓ Exchange visits to GB by South African and Australian researchers have occurred and an international meeting in February 2008 identified opportunities for project collaboration on exploiting diagnostics.

**EU EuroCrop project: Lead the potato working group to ensure representation for potato R&D priorities within the context of future EU arable crop competitiveness.**

- ✓ BPC has led the potato work package and has contributed to the identification of potato specific and cross-cutting activities to support EU prioritisation.

**GB participation in the Global Potato Genome initiative: Report to RDC on progress and on synergistic Solanaceae projects to ensure that GB industry is aware of developments so that future opportunities may be exploited.**

- ✓ Progress has been slow but agreement has been achieved on research council support for the genome project.

**Crop uniformity: Complete project, involving Council and industry representatives in the project management and review team. Report to RDC by end 2007 and ensure practical outcomes are incorporated for delivery via relevant KT activities.**

- ✓ Project completed, with new seed rates published and the outcomes being delivered by KT through the grower collaboration project.

**Nitrogen management: Continue project and use RD steering group to monitor against milestones and report in Autumn 07 and Spring 08. Ensure research outputs are contributed to the review of RB209 commissioned by DEFRA.**

- ✓ Research completed with information presented at field days and conferences. Information contributed to the RB209 review.

**Agronomy data review: Complete, by end Aug 07, review of data, including outputs from previous studies to identify factors affecting tuber number per stem. Evidence to be considered in Sept 07 to justify further investment.**

- ✓ Historic data review completed by August 2007 and proposal developed and new project commissioned from January 2008.

**RB209: Lead revision of the potato fertilizer recommendations for DEFRA through the establishment and involvement of a cross-industry group, including researchers and agronomists Draft recommendations to be submitted to the DEFRA steering group by end Nov 07.**

- 🕒 BPC co-ordinated RB209 review meetings for potatoes. Reporting date set back to July 2008 due to DEFRA moratorium on funding for collaborating R&D contractors.

# Progress against Corporate and Business Plans

**Pest & Diseases: Continue the R&D programme on management of bacterial rots, blight, blemish diseases, spraing, with appropriate monitoring against milestones, annual reporting and post-completion review.**

- ✓ The full programme on on-going pest and disease projects was completed, with 11 reports and reviews published on the website. The PMTV project has been extended to complete field evaluations.
- ✓ Additional blight samples were assessed at SCRI in year with a serious epidemic and the results informed industry management strategy. Together with other projects, results been reported to industry at technical seminars at BP2007, PiP and the aphid and virus forum in December 2007.

**PCN projects: Continue projects on PCN control and the evaluation of overseas Q-PCR diagnostics for improved management of cyst-nematodes, with monitoring against milestones and annual reporting to RDC.**

- ✓ LINK project on decline rates and studentship on biofumigants for PCN control progressed satisfactorily.
- ✓ Successful overseas collaboration with NZ researcher visiting GB and attending BP2007 to discuss project developments with industry.

**Independent Variety Trials: Ensure trials are carried out and results reported to breeders/agents with information incorporated into the BPC variety database. Ensure effective integration with NL VCU through the Defra steering group. Use industry panel to review outputs from the current project (end Aug 07), to consider future industry needs and, if appropriate, commission new IVT work (end Mar 08).**

- ✓ IVT assessed 16 varieties in the final year of the project and information has been made available through the variety database. Following a review by an industry panel, a new 3-yr IVT programme led by SASA has been commissioned from 1 April 2008.

**Disease diagnostics: Complete project with monitoring against milestones and report to RDC. Review outcomes from the diagnostics project and identify requirements for field validation and practical application of the tools, utilise knowledge from other national diagnostics R&D projects and where appropriate commission research to ensure delivery.**

- ✓ Project completed with information presented at PiP and opportunities for international collaboration identified to support the delivery of practical diagnostic tools for the industry.

**Risk Management: Complete LINK project on aphid resistance to neonicotinoids and establish the status of Dickeya in GB using the results from the projects to inform industry of risks.**

- ✓ LINK project completed and reported at stakeholder meeting with information incorporated into IRAG guidelines. Dickeya work at CSL progressing satisfactorily.

**Volunteer potato control: Continue new LINK project (with HDC) that exploits novel vision technologies, and report progress to RDC.**

- ✓ Link project in collaboration with HDC progressing satisfactorily with field evaluation of prototype system.

**Processing quality: Continue R&D relevant to the quality of crops for processing, with appropriate monitoring against contract milestones and annual reporting.**

- ✓ Studentship on cytokinins and project on CIPC vapour to identify alternative sprout control strategies progressed satisfactorily. Gene expression analysis completed.

**GB authorities: Maintain liaison with PSD and FSA, industry bodies and unions, on legislative changes and to ensure authorities are aware of industry and stakeholder initiatives for pesticide minimisation. Report to RDC and ensure marketing teams are aware of technical background for issue management.**

- ✓ Significant activity with the GB authorities and meetings to represent industry views held with FSA, PSD and the Advisory Committee on Pesticides to address issues on CIPC and acrylamide.
- ✓ Actively engaged with industry and consultations at national and EU level to protect availability of nematicides.

**NGOs: Maintain liaison to obtain views on residue management, to provide feedback and respond on behalf of industry to emerging issues.**

- ✓ Maintained technical information to support BPC issues management and met with NGOs to discuss blight resistant GM potato crop trials.

**Storage practices: Continue R&D to minimise residues of concern in the field and store with appropriate monitoring against milestones and post-completion review by RDC.**

- ✓ Glasgow University work is supporting the SBEU evaluation that is being carried out with industry partners of storage management systems to improve CIPC use.

**CIPC vapour: Continue research that seeks to demonstrate the utility of exploiting vapour phase CIPC for sprout control in box and bulk stores.**

- ✓ Investigation of novel CIPC formulations is ongoing with input from the agrochemical sector.

**Bruise test: Complete with industry partners, an evaluation of the bruise impactor developed during LINK.**

- ✓ Bruise impactor evaluated with industry collaboration and results reported to BPC Bruise forum in January 2008.

**Bruise R&D: Continue R&D, involving industry, to improve understanding of the impact of agronomic factors and soil and tuber water status on crop susceptibility to bruising. Report to RDC and review to identify R&D and KT requirements to ensure that results from the current projects deliver practical advice.**

- ✓ Research completed and information presented at two field days in July 2007 and the BPC Bruise forum in January 2008.

**Agronomy & rotations:** Review projects on soil moisture status, tuber turgidity and bruise susceptibility and nutrient management to identify research that integrates water management and crop production within an agronomy programme from April 2008 that will improve the sustainability of potato production.

- ✓ Reviews of projects completed and new integrated agronomy projects on nutrients and water start at CUF in April 2008 and will link to new studies at Cranfield.

**NIR:** Participate (first year subject to final Defra approval) in the LINK project (with ARF partners) to reduce risk of diffuse pollution by improved assessment of farm manures by NIR Spectroscopy.

- ✓ LINK project approved in July 2007 and first year progressed satisfactorily with cross levy board collaboration.

**Common scab:** Continue, with industry partners, LINK project on improving management of common scab, with annual monitoring and reporting to RDC.

- ✓ LINK project with industry partners Branston, QV Foods and Cobrey Farms progressing satisfactorily.

**Flavour:** Complete project on tuber characteristics with appropriate monitoring against milestones and annual reporting.

- ✓ LINK project with industry partners Branston and Greenvale AP completed.

**Gene expression:** Exploit synergies with SCRI projects to complete analysis of gene expression in tubers and relate to traits on maturity and dormancy, tuber quality and nutritional value.

- 🕒 Tuber gene expression analysis completed. Work ongoing to relate to tuber quality characteristics.

**CO2 & quality:** Establish the effects of CO2 in store on taste and texture. Investigate feasibility and if appropriate commission research to provide practical management recommendations.

- ✓ Project initiated. Panel taste vocabulary developed at Leatherhead and initial storage assessments completed.

**Umami:** Compounds contribute to flavour and consumer acceptability in S pheruja. Review information and if appropriate commission research that could identify possible opportunities for crop manipulation or flavour enhancement during preparation to improve acceptability.

- 🕒 Review completed in March 2008. Possible research identified and commissioning to take place.

## Market Information & Statistics

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**Acquisition and analysis of demand-side retail, food service and cost-sector data will proceed on an ongoing basis.**

- ✓ Food Service data has been acquired and analysed with six-monthly updates during the year to contribute to complete analysis of market size, especially relative to the food service sector, potato meal types, and volumetric assessment of consumption. This has been disseminated with annual statistics updates via the [www.potato.org.uk](http://www.potato.org.uk) website, as presentations and in response to industry ad hoc requests.

**Acquisition and analysis of supply-side data on areas, varieties, production, human consumption and processing on an ongoing basis.**

- ✓ A continuous service has been provided to levy payers, government and institutions through the year on potato statistics on area, production, varieties, yields, regionally and by market sector. Live updates have been maintained via the Grower Panel website ([www.bpcgp.net](http://www.bpcgp.net)), and periodic key publications produced.

**A Grower Panel will be maintained to provide detailed insight into agronomy, yields, storage and waste.**

- ✓ The Grower Panel survey has successfully completed its third year, with 340 growers contributing yield, production, price and other key data. This has contributed to production statistics (item above), and been widely disseminated via key publications, presentations, ad hoc information provision, and live via the Grower Panel website([www.bpcgp.net](http://www.bpcgp.net)).

**European and international imports and exports to GB, and European crop and price information will be reported on an ongoing basis.**

- ✓ European trade, crop and price conditions have been continuously monitored during the year and published as weekly summaries in Potato Weekly, with more detailed analysis monthly in EuroPotato, via the [www.potato.org.uk](http://www.potato.org.uk) website. The North-West European Potato Group (NEPG) has been supported with meetings and published joint statistics.

**A Weekly Average Price Survey will be conducted, and current crop and ex farm price reports published in Potato Weekly.**

- ✓ The Weekly Average Price Survey has been maintained with sampling in excess of 50% of volume moved, and published in Potato Weekly, with live analysis tool on trends maintained via the Grower Panel ([www.bpcgp.net](http://www.bpcgp.net)), and numerous ad hoc analyses of historic data supplied to industry and government. Detailed current price and crop information has been collected weekly by variety and market sector, and disseminated via Potato Weekly, syndicated reports to the agricultural press, TAMS line (telephone answering service), and Teletext (Ceefax). Many press and ad hoc industry enquires have been responded to on price movements and crop conditions.

**Early Crop weekly survey and seasonal report will be published.**

- ✓ The Early Crop Survey for May-July 2007 was completed successfully and a report on the season published in August 2007. Live daily price, clearance, movement, gross revenue tables were maintained during the May-June period at [www.bpcgp.net](http://www.bpcgp.net), with regional and weekly summaries. Daily updates were distributed to press and by TAMS, the latter receiving in excess of 1000 calls per month.



# Progress against Corporate and Business Plans

## Knowledge Transfer

**Acquisition and analysis of demand-side retail, food service and cost-sector data will proceed on an ongoing basis.**

- ✓ Food Service data has been acquired and analysed with six-monthly updates during the year to contribute to complete analysis of market size, especially relative to the food service sector, potato meal types, and volumetric assessment of consumption. This has been disseminated with annual statistics updates via the [www.potato.org.uk](http://www.potato.org.uk) website, as presentations and in response to industry ad hoc requests.

**Working with Cambridge University Farms and 5 selected levy payers, conclude a project that explores the relationship between researcher and grower and quantifies beneficial adoption of R&D. Use the project to develop 5 cost/benefit case studies for adoption of R&D by Nov 2007 and make recommendations on continuation of the approach.**

- ✓ From the initial five collaborators, 22 large scale comparisons were evaluated on four farms (one grower found he was unable to take part in the project). Results from each of the changes has been described to satellite groups (constituting local growers, producer groups and their purchasers) and summary findings, including case studies highlighting reduced seed and nitrogen costs have been presented to levy payers at BP2007 and CUPGRA conference. Findings have been presented to R&D Committee and Council and continuation for 2008 has been agreed.

**Conclude the BPC Project "Understanding information flow within supply chains", ensuring key recommendations are incorporated into other KT activity.**

- ⌚ Consultation has been undertaken with Growers, agronomists, supply chain CEOs, technical directors, fieldsmen and training providers. Knowledge gaps have been identified across a range of subjects and most supply chains have recognised that provision of new courses would allow their staff to capitalise on recent R&D results and allow them to put results into practice beneficially. Course development has been delayed and will commence following recruitment of suitable staff.

**Continue BPC's Grower Gateway in line with existing format (8 issues).**

- ✓ Eight issues of Grower Gateway have been published. Each contained recent relevant technical news and featured existing and new R&D projects along with Government updates (e.g. progress of Catchment Sensitive Farming) and references to existing publications. Approximately 250 unique readers downloaded technical articles behind each issue.

**Effective services will be maintained to deal with R&D and knowledge transfer enquiries so that levy payers have access to current and previous levy funded work. Every enquiry will be responded to in accordance with the BPC's Citizens Charter and will be logged on contacts.**

- ✓ Approximately 150 technical non-campaign related enquiries (specific enquiries relating to blight, aphid, storage and soils excluded) were responded to within 48 hrs, 10% of which generated more complex research or literature searches on behalf of levy payers.

**Complete the crop uniformity project at CUF, involving Council and industry representatives as part of the project management and review team. Report to RDC by end 2007 and ensure practical outcomes are incorporated for delivery via relevant KT activities.**

- ⌚ Seed rate guides for the variety Estima have been published and mailed to all Estima growers and agronomists / technical managers. These contained explanations of how to maximise marketable yield and formed the basis for seminars delivered at BP2007. A new guide has been drafted that details sources of crop variation (e.g. soil type), how they might affect marketable yield and what course of action growers may take. This will be published to coincide with publication of associated R&D reports.

**Work with Cambridge University Farm to develop and agree (Sept 2007) a programme of communication that explains BPC's contributions to DEFRA's RB209 Review and highlights where efficiencies in fertiliser use can be achieved. Deliver the programme between Sept 2007 and April 2008.**

- ✗ Delays in the review and publication of DEFRA's updated RB209 have led to a postponement of this activity. As an interim measure a number of press and Grower Gateway articles have been published to update industry on progress.

**Working with agreed partners (ADAS, MetOffice and 101media) run a combined FAB/Blightwatch service for 2007 season. Conduct a survey to quantify perceived benefits of the combined service (Nov 2007).**

- ⌚ In partnership with ADAS, Met Office and 101Smart Ltd., a new combined service that linked blight outbreak maps (from Fight against Blight) with disease risk maps (from Blightwatch) was launched and has attracted over 4000 users, c1500 of whom have registered to receive advanced services (email and text message alerts). The service attracted additional sponsorship from industry (Belchim Crop Protection, Greenvale AP, Bayer Crop Science and Potato Review) and user satisfaction has been reported through a survey conducted in conjunction with Potato Review. Surveys have still to be fully analysed.

**Collate recent best practice messages (application technology, fungicide efficacy, fungicide reduction and population change) and communicate these at 10 grower/supply chain meetings.**

- ✓ Best practice blight information was delivered at seven meetings from Kent to Scotland in early summer 2007. By mid-summer blight pressure was unprecedented with conditions not seen in living memory. Tactics were changed as a result and all existing advisory literature was reviewed and reissued. In addition a presentation was developed to allow growers to improve prospects for storing blighted crops. This was presented at five meetings. Presentations relating to the consequences of a changing blight population were delivered from November 2007 onwards and are described in more detail below.

**Consult key technical personnel within the industry to quantify understanding of recent population changes and possible implications. Use existing KT tools along with opportunities at BP2007 and BPC Blight Forum 2008 to improve (measured by consultation) industry understanding.**

- ⌚ Leading agronomists and technical directors were consulted in August 2007 regarding changes in GB's blight population. The consultation revealed superficial knowledge that the population was changing but little appreciation of the potential impact on practical disease management. Furthermore many of the consultees reported confusion created by the complex terminology used in describing the new population. In response a new guide was published that detailed key terms that describe the population (e.g. strain, genotype, mating type, fungicide resistance, fitness and aggressiveness). This was used to support presentations (10 to date) and associated press work delivered at BP2007 and other events regarding the new population and possible control strategies.

**Working with colleagues through the Applied Research Forum, conduct a short review of access and use of weather data across all sectors. Specifically, explore cost savings to be achieved through bulk purchase and interpolation of data. Report by September 2007.**

- 🕒 Data requirements for a variety of uses across all sectors have been collated and include simple measurements (e.g. max and min daily temperatures) along with more complex calculations (e.g. evapotranspiration for different crops). Two service providers have been identified who would be able to satisfy data requirements to some degree although a number of concerns (e.g. ability to interpolate between collection points and accuracy of measuring apparatus) have still to be addressed. Cost structures and opportunities to bulk-purchase information have yet to be explored.

**Support CSL to run Aphmon through 2007 season ensuring all changes agreed in spring 2007 (establishment of working group and linkage to Rothamsted and SASA websites, development of regional summaries, first Mysus flight warnings and email/text services) are operational through the season.**

- ✓ Aphmon, CSL's web-based virus risk service sponsored by BPC, ran successfully during 2007. In spite of unprecedented aphid pressure (aphid catches 1000% higher than average for some traps), over 99% of all samples were processed and results reported within 24hrs of sample receipt. New services promoted in 2007 (including first-catch alerts for peach-potato aphid) were taken up modestly by industry (c50 users) and post-season survey work has shown that >95% of users believe the service contributes to better aphid and virus management.

A new BPC Aphid and Virus working group met in December 2007 and included representatives from seed production, seed merchants, researchers, commercial advisors, other sectors (e.g. sugar beet production) to review services provided by CSL and identify R&D and KT gaps for aphid and virus in general. These are discussed below.

**Undertake necessary preparatory work (consultation with trap hosts, identification of new hosts, supply of replacement consumables) that allows smooth start-up in 2008 growing season.**

- 🕒 All participants in Aphmon 2007 have been contacted and continued activity has been secured for most (some new participants have been identified to ensure maximum coverage in seed growing regions). A number of new activities identified by the Aphid and Virus working group, that could be incorporated into Aphmon are currently being explored. These include developing better descriptions of how virus risk indices are calculated, reliable advice on how risk indices can be used to trigger crop protection decisions, more formal links and data-exchanges with other service providers (e.g. BBRO and SASA). Final decisions on development of Aphmon will be made in the light of recommendations from a newly commissioned literature review due to be published in April 2008.

**Run a storage KT campaign that reflects agreed industry priorities (established at 2007 storage stakeholder meeting). Specifically provide industry with a "toolkit" of resources (best practice information on storage management and QC) and support its use at 20 grower/supply chain meetings in 2007. Develop tools (case studies, posters and status reports) that focus on understanding and reducing costs of storage, best practice for sprout suppression and disease control. Communicate key messages through various channels including BP2007.**

- ✓ Best practice information for store management has been delivered at 18 meetings, themed around quality assessment, costs and energy or preserving crop quality using existing resources (quality assessment and sampling, cost reduction, energy management and tariff control, harvest and pull-down) supplemented with new publications relating to energy efficiency and sprout suppression.

In response to high blight pressure and water-logging, additional activity was undertaken to update industry on best practice for storage of crops with a high rotting potential. This included a regular column in Farmers Weekly, delivery of seminars at BP2007 and 5 on-farm meetings.

**Carry out a revision of the BPC Store Managers' Guide to bring the publication up to date including enhancement of the sector-specific areas of the guide and store design information. Consider measures needed to publish this document for new PSC.**

- 🕒 A new format for the Store Managers Guide has been agreed, which, for each section, includes an overview of the issue, relevant science/theory, practical illustrations and an action oriented checklist. 60% of chapters have been drafted and artwork/photography has commenced. The activity will continue under PCL with a launch planned for July 2008.

**Plan and run BPC Bruising Forum 2008; ensuring recent levy funded and overseas research is presented to key technical personnel within supply chains. Use the forum to understand industry KT requirements and develop KT activities for 2008.**

- ✓ BPC's Bruising Forum took place in January 2008. Over 60 technical managers / agronomists were presented progress reports for three bruise related projects; one exploring the impact of tissue turgor on bruise susceptibility, one exploring the impact of soil moisture at desiccation on bruise susceptibility and one evaluating the practical uses of a biochemical diagnostic kit for bruise susceptibility. Discussions with delegates revealed that although projects had progressed well and contributed to understanding of potato bruising there were no immediate practical messages that required further communication. As such no further KT was undertaken.

**Conclude current ARF soils project ensuring milestones (website catalogue, training resource file-share and high impact case studies) have been met.**

- ✓ The Applied Research Forum's Soil Information Gateway was launched in August 2007. The gateway constituted different pages relating to soil management that were arranged to suit end-users (sector-specific, management issue specific or policy specific) and included advice from each levy body. An additional training resource platform was developed so that end-users were able to identify consultants or trainers to suit particular approaches to soil management. The gateway was promoted by each levy body simultaneously and generated >600% increase in web traffic. Seventeen sector and problem-specific case studies were published (five featuring potato crops), each of which highlighted a particular aspect of best practice soil management. The case studies were distributed at summer events and BP2007 and five were featured in Farmers Weekly Academy.

**Use contacts established especially DEFRA's CSFOs to ensure BPC understands others' approaches taken to compliance, where synergies/overlaps exist and where existing funding streams can be used effectively.**

- ✓ A number of meetings at strategic (ECSFDI communications and management teams), sector specific (ECSFDI root-crop group) and local (individual CSFO) level have allowed BPC to capitalise on common objectives, and share venues and speakers for meetings where appropriate (e.g. Catchment Sensitive Farming presentations delivered at BP2007 and other workshops). Additionally, BPC wrote to all levy payers in priority catchments explaining how CSF may benefit their businesses and encouraging direct contact with their local CSFO. This was supported with a number of press articles and coverage in BPC's Grower Gateway. In December 2007 BPC presented as a partner at ECSFDI's conference "Celebrating Success".

# Progress against Corporate and Business Plans

**Communicate key findings and messages from BPC Report "Policy changes, likely impacts on potatoes and necessary action" to levy payers and supply chains.**

- ✓ Double page articles detailing key policy changes and their likely impact on potato producers were published in Crops Magazine and Farmers Guardian along with other articles in Potato Review and BPC's Grower Gateway. Thereafter, top-line messages were incorporated into presentations used at soil workshops. An additional report detailing Scottish approaches to soil and water policy has been commissioned and will be published in April 2008.

**Conduct grower/supply chain workshops during summer 2007 and spring 2008 (target 25 events with 30 people attending each) and workshops at BP2007 that explain (depending on supply requirement) existing and likely policy change, pros and cons of compliance (both in terms of regulation and production), opportunities presented by Catchment Sensitive Farming and best practice for soil and water management.**

- ✓ Best practice advice for soil and water management, including specific messages relating to policy compliance was delivered at one BPC sponsored industry conference (organised by RASE) and twelve summer workshops. Other meetings, planned for August 2007 onwards were either postponed or cancelled as a result of poor weather and pressing blight-management needs. Once this potential shortfall was detected, remaining resources were diverted into the production of a potato-specific soil-management handbook linked to a more detailed guide on BPC's website. The handbook was mailed to all levy payers in February 2008.

## Seed & Export Supply Chain

**Carry out annual average seed price survey and compile data with labelled figures. Communicate these figures and year on year trends to seed industry levy payers.**

- ⌚ Returns were received for 147000 tonnes of seed. This is the largest return received yet. This represents around 55% of the seed traded. The survey has only been running for 3 years and will take several years to generate enough data for potential trends to emerge. It is anticipated that initial findings will start to feed through in 2008/09.

**Investigate reasons for continued use of imported and farm saved seed.**

- ✗ This activity was not continued in 2007/08 due to the political and business factors that influence seed purchasing decisions and the fact that BPC can have very little influence over them.

**Promote membership of Safe Haven Accreditation Scheme. The target for sign up will be 300 seed growers, 75% of the industry, by summer 2007.**

- ⌚ Various activity has taken place to encourage seed growers to sign up. This includes press articles in Farmer's Guardian, Commercial Grower and Horticulture Week. Case studies have been carried in Farmer's Weekly, Scottish Farmer and Potato Review. 'Sign up' zones were also featured at Potatoes in Practice and on the BPC stand at British Potato 2007. Letters were sent to all seed growers who were not members of the scheme in October 2007, reminding them of the benefits of the scheme and encouraging them to sign up. 38% of seed growers are registered in the Safe Haven Scheme. This is an increase from 35% in 2006/07. 55% of the seed area produced in Britain (60% in Scotland and 27% in England & Wales) is accredited under the Safe Haven Scheme. This is an increase from 50% in 2006/07

A random phone survey of seed growers not signed up to the scheme in February 2008, indicated that there is considerable support for the scheme and that work should continue to get more growers signed up.

**Continue liaison with industry bodies and government to ensure the cross industry support and buy-in for Safe Haven Certification Scheme. Involve industry representative bodies in scheme roll-out.**

- ✓ All industry representative bodies and relevant government departments continue to be publicly supportive of the Safe Haven Scheme. Links to the Safe Haven website have been included in both the English and Scottish seed registers.

**Potatoes in Practice. Along with other partners (SAC, SCRI & CSC) organise Potatoes in Practice 2007. Ensure the effective communication of BPC messages through the event maximise commercial buy-in.**

- ✓ Potatoes in Practice, was successfully held on 9th August 2007. Attendance set a new record of over 500 people and there was a 25% increase in exhibitor numbers. Plans are underway for the 2008 event.

**Seed Industry Event. Organise the Seed Industry Event on a biannual basis to alternate with the British Potato event at Harrogate.**

- ⌚ No Seed Industry Event took place in 2007, due to British Potato 2007 at Harrogate. Plans for the 2008 Seed Industry Event at Crieff on the 30/31 October are underway.

**Develop online variety database and attached industry information into a valuable resource for the industry. Update all new varieties nationally listed since 2000 book printing. Develop a promotion and distribution plan for the launch of the completed database both to domestic and overseas markets.**

- ⌚ The database now holds information on over 150 hundred varieties produced in Britain. The database was demonstrated to visitors at Potatoes in Practice and British Potato 2007. The database is now fully printable and users can make up their own variety books that are specific to them.

The database featured in all BPC publications aimed at domestic and overseas markets. These included Grower Gateway, Agronomist Bulletin and BPC World Service. Publicity literature for the database also featured on the BPC stand at Potato Russia in November and was sent to a seed potato fair in Morocco. Translation in to three languages has been agreed with exporters and plans are now being developed for this.



**Seed and Export Website Pages. Develop, constantly update and promote the use of these pages as a valuable resource for the seed and export industry. Including the following sections: British Seed; Information for GB Exporters; Information for overseas customers for GB seed.**

🕒 The seed and export pages of the website were regularly updated to ensure that they were informative to the appropriate audience. Links to seed and export pages, highlighting the appropriate information was included in all communications, for example: press releases, publications and email communications.

Reports on many BPC export outputs, domestic outputs, variety information, event publicity and links to Knowledge Transfer, R&D and Market Information were all included on the seed pages of the BPC website in 2007/08.

**Ensure seed issues are communicated as required in all internal BPC publications. Create a calendar of key messages for the seed industry and distribute to each of the managers of these publications so that content can be planned.**

✖ Due to staff changes in the seed and export department, the calendar was not produced. However, regular contact with the managers of BPC publications ensured that all key seed and export issues were effectively communicated.

**Support government initiatives to increase monitoring of the health status of all potatoes for planting. In conjunction with government representatives develop a communication plan highlighting the reasons for increased monitoring and the benefits of clean seed use.**

✖ BPC continued to be involved in the Better Regulation of seed potatoes consultation. At the request of the BPC, Assured Produce standards will be strengthened to include a recommendation that all seed planted is from PCN tested land. An agreement was made at British Potato 2007 to hold joint UK seed potato classification scheme consultative panel meetings from now on. This is something that the BPC have campaigned for over some time. Due to staff changes in the seed and export department, the communication plan was not continued.

**Research industry opinion and provide responses to all relevant government consultations. Where necessary when a particular issue arises arrange the opportunity for cross industry discussion. Liaise regularly with all other industry representative bodies.**

✓ BPC with guidance from the Seed Sectoral Group and in dialogue with industry representative bodies, responded to government consultations that were relevant to seed potatoes. This included continued involvement in the Better Regulation of seed potatoes consultation, Plant Health Exports consultation, National List and Plant Breeders fees consultation and BPC were the only levy body who attended the first meeting of the UK Plant Breeders Review Group, where it was able to reiterate the points that it raised in the Better Regulation consultation, relating to plant health implication for seed potatoes.

**Following initial roll out of the Safe Haven Accreditation Scheme develop plan for the promotion of the benefits of the scheme to ware growers, retailers and processors. This will initially be carried out through supply chain contacts. A face-to-face presentation of the benefits of the scheme must be provided to each major packer and processor. (Create demand) Include Erwinia Chrysanthemi messages.**

✓ Publicity of the Safe Haven Scheme took place at various BPC events, including Potatoes in Practice and British Potato 2007. Presentations on the scheme and its benefits were given at several ware grower focused supply chain meetings and at West Midlands Potato Day.

✓ The recommendation for all ware businesses to buy seed from the Safe Haven Scheme to reduce the risk of Erwinia Chrysanthemi has been publicised in the BPC E. Chrys Report and the E. Chrys Grower's Advice Sheet.

✓ At the request of the BPC, Assured Produce have agreed to include a recommendation in their next standards review for the use of Safe Haven seed potatoes.

✓ After concern was raised by the Seed Sectoral Group about promoting Safe Haven seed over other British produced seed to ware growers, it was decided not to pursue direct promotion to individuals.

**Erwinia Chrysanthemi awareness campaign. Communicate the issues raised in the recent review. Make sure there is an ongoing awareness campaign on this issue right through to planting season 2008.**

✓ Benefits in E. Chrys control were added to a new Safe Haven Scheme information booklet that was sent to all seed growers. A letter sent to all seed growers highlighting the benefits of the Safe Haven Scheme and requesting seed growers to sign up, also included key E Chrys messages. Links to the report and Growers Advice in E. Chrys on the BPC website were also included in these publications.

**Agree with exporters at the start of the year two target countries for inward missions. Keep funding back for one mission per year where an issue arises during the season. Ensure the outcome of missions is communicated to all relevant exporters.**

✖ At the end of season exporters meeting held at SASA on 30th May 2007, inward missions were planned with Israel, Turkey and Thailand. Due to staff changes in the seed and export department and changes in priorities in the export market, only one BPC funded inward mission from Egypt took place. However the inward mission from Egypt was very successful, with the Egyptian officials indicating that seed imports may need to increase by 5-fold over the next 10 years and that Britain was a preferred supplier. An outward mission to build on this success is planned for 2008. The report from the inward mission was placed on the BPC website and sent to all exporters to Egypt.

**Where appropriate visit target countries to continue information-gathering process and make direct contacts. Where possible representatives of exporting companies should be encouraged to be involved in these visits. Ensure that a report of all relevant findings of any visits is written up and published on the BPC website.**

✖ The outward mission that was planned to Egypt in June 2007 to promote the benefits of GB seed was postponed at the request of exporters.

It is anticipated that future outward missions can be based on information gathering or by providing independent trade representation. The planned outward mission to Egypt in 2008 and negotiations in Thailand are examples of this process. Each countries requirements will be treated on a case by case basis, and objectives set with the exporters to that country prior to undertaking any activity.

# Progress against Corporate and Business Plans

**Wherever an issue arises in an overseas market that requires independent trade representation ensure that this is provided as quickly as possible by a relevant member of BPC staff or commissioned consultant. Ensure that the person involved consults thoroughly with the relevant trade contacts and is as well briefed as possible to resolve the issue.**

- ✓ Due to ongoing market difficulty in Thailand and at the request of exporters involved in this market, BPC were part of an official delegation that attended negotiations with the Thai Plant Quarantine Service on import conditions for seed potatoes in Thailand. As a result of earlier work in China, a protocol has now been signed for the export of British potato minitubers to China. This is a major step forward in the process of opening the Chinese market but the BPC is continuing to push negotiations for a protocol on field grown seed.

**Create a strategy for communication of the benefits of GB seed to overseas markets utilising BPC website, World Service, The Variety Database and overseas publications. Obtain buy in for this strategy from major exporters and implement.**

- ✓ The generic benefits of British seed potatoes have been communicated in all the major export promotion tools. All promotional tools made reference to all other BPC tools with information on British seed potatoes. For example in editions of BPC World Service that were produced in July, October and March, reference to the variety database, BPC website and BPC presence at Potato Russia were regularly made. This is to ensure that a key messages are repeated and picked are easier for overseas buyers to pick up.

**In agreement with exporters develop plan of which trade events would provide the greatest benefit from BPC coordinated British Trade areas. Organise trade areas at at least one major international trade event per year. Potato Russia for 2007. Ensure the participation of as many GB exporting companies as possible.**

- ✓ A BPC trade pavilion was held at Potato Russia 2007. 15 British companies were involved and all of them reported that the trip was worthwhile and that they would attend a similar BPC organised pavilion in the future. Plans for a BPC trade pavilion at Potato Europe 2008 are underway.

The following abbreviations have been used:

AEV	Advertising Equivalent Value
AHDB	Agriculture and Horticulture Development Board
ARF	Applied Research Forum
BBSRC	Biotechnology & Biological Sciences Research Council
BDA	British Dietetic Association
BNF	British Nutrition Foundation
BPMA	British Potato Marketing Association
BP2007	British Potato 2007 event
CAP	Common Agricultural Policy
CEO	Chief Executive Officer
COP	Cost of Production
CPA	Crop Protection Association
CSI	Crop Science Initiative
CSL	Central Science Laboratory
CUF	Cambridge University Farm
DEFRA	Department for Environment, Food and Rural Affairs
EAPR	European Association for Potato Research
FCC	Food Chain Centre
FPC	Fresh Produce Consortium
FSA	Food Standards Agency
FWAG	Farming and Wildlife Advisory Group
GI	Glycaemic Index
HDC	Horticultural Development Council
HGCA	Home Grown Cereals Authority
ICM	Integrated Crop Management
IGD	Institute of Grocery Distribution
IVT	Independent Variety Trials
KT	Knowledge Transfer
LEAF	Linking Environment and Farming

MAPP	Management Advisory Package for Potatoes
MI	Market Information
MRL	Maximum Residue Limit
NASPM	National Association of Seed Potato Merchants
NEPG	Northwest European Potato Growers
NFFF	National Federation of Fish Friers
NFU	National Farmers Union
NGO	Non-Governmental Organisation
NL	National List
NPTC	National Proficiency Tests Council
OTS	Opportunities To See
PCN	Potato Cyst Nematodes
PiP	Potatoes in Practice event
PMTV	Potato Mop Top Virus
PNL	Potato Newsletter
PPA	Potato Processors' Association
PR	Public Relations
PSD	Pesticides Safety Directorate
R&D	Research & Development
SBEU	The BPC's Sutton Bridge Experimental Unit
SCM	Supply Chain Manager
SCRI	Scottish Crop Research Institute
SI	Statutory Instrument
SSG	Seed Sectoral Group
UKIA	UK Irrigation Association
USPB	United States Potato Board
VI	Voluntary Initiative
WPC	World Potato Congress

(ADAS, NIAB, SAC, SASA and TNS are the full names of organisations as opposed to abbreviations)



Kevin Roberts  
Accounting Officer

11 July 2008





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# Foreword to the accounts

The following accounts have been prepared in a form directed by Agriculture Ministers with the consent of H.M. Treasury in accordance with the Industrial Organisation and Development Act 1947 and are presented in group format to include the British Potato Council and Sutton Bridge Experimental Unit Ltd. The accounts cover the eleventh year of the Council.

The Council maintains a designated reserve for redundancy costs sufficient to cover all staff. This, along with the General Reserve, means that in the event of a winding up the Council could cover its liabilities.

## Going concern

On 1st April 2008 the functions, responsibilities, assets and liabilities of the British Potato Council were transferred to its successor, the Agriculture and Horticulture Development Board (AHDB). This transfer was in accordance with the Statutory Instrument (the Agriculture and Horticulture Development Board Order 2008) which received approval from UK Ministers and was laid before the Westminster Parliament on 13th November 2007 and approved by the Scottish Parliament on 23rd January 2008. In accordance with the Financial Reporting Manual, these accounts have been prepared on a going concern basis, as the British Potato Council's services will continue to be provided by AHDB.

## Statutory background

The British Potato Council succeeded, under the Potato Industry Development Council Order 1997, the Potato Marketing Board on 1st July 1997. It has been subject to statutory review in both 2000 and 2005.

## Levy collection

### Growers levy

Levy collection for 2007/08, as at 31st March 2008, was 97% by value. Levy collection for the 1998/99 to 2006/07 years now stands at well over 99% in each case.

### Purchasers levy

Levy collection for 2007/08, as at 31st March 2008 was 78%. It can be expected that this levy collection percentage will rise to 99+% by the end of the process. Levy collection from purchasers for the 1998/99 to 2007/08 years now stand at over 99% in each case.

## Cost reduction

Cost reduction, particularly of internal support functions, continues to be a major focus and the Council has planning systems and processes in place to enable it to deliver savings in the future in line with its financial strategy.

## Pension arrangements

The defined contribution pension scheme of the Council provides employees with competitive benefits whilst having the advantage of allowing the Council to be fully aware of its financial commitments. The pension provider was originally the Equitable Life Assurance Society, but in view of the financial problems experienced by the Society, it was decided to move to a Group Personal Pension Scheme from 1 July 2001, the provider being AXA Sun Life. During the period the Equitable Life Scheme was wound up and members' benefits were secured through a 'Section 32 Buyout'.

## Financial results against budget

	2007/08 Budget (£000)	2007/08 Actual (£000)	2007/08 Variance (£000)
Growers levy	3,494	4,944	+1,450
Purchasers levy	893	830	-63
Other income	73	226	+153
<b>Total income</b>	<b>4,460</b>	<b>6,000</b>	<b>+1,540</b>
<b>Expenditure</b>	<b>(5,138)</b>	<b>(5,640)</b>	<b>-502</b>
<b>Operating (Deficit)/Surplus</b>	<b>(678)</b>	<b>360</b>	<b>+1,038</b>
(Charge to)/allocated to general reserve			
(after investment income and tax)	(580)	485	+1,065

*The budget, prepared for DEFRA, has income from services offset against expenditure, and did not include the provision for dilapidations. The income budget assumed that growers levy would be adjusted to take account of the nine month accounting period. Accounting standards require that a full years income is accounted for in the period, increasing the income by £1,213k. On a like for like basis actual expenditure would be £5,288k, a variance of £150k from budget.*

The Potato Marketing Board (PMB) defined benefit scheme has been wound up. During the financial year 2002/03 the Council made a payment to the trustees, under the terms of a Deed of Covenant which was transferred from the PMB, thus complying with their legal obligations in full.

## Diversity and equal opportunities policy

The Council recognises its duty, under the Race Relations (Amendment) Act 2000, to promote race equality. It has a policy on diversity and equal opportunities and its premises are designed for disabled staff. Ethnicity is monitored using a model which is based on a classification produced by the Cabinet Office. Providing ethnic data is wholly voluntary.

During the period a survey of employees was carried out, which had a response rate of 79%. The following figures for nationality were given: British or mixed British – 40.5%; English – 40.5%; Scottish – 7.1%; other – 11.9%. Of those responding, 95% described themselves as White, the remaining employees describing themselves as Asian or Black.

The Council's aim is to increase the proportion of staff from minority groups, as follows: members of ethnic minorities 6%; people with disabilities 3% - within the context of appointing the best applicant for each job. We include the following statement in every recruitment advert, and in our briefs to agents: *The BPC is committed to valuing diversity and equal opportunities for all staff, and we welcome applications from all sections of the community. We will not discriminate on grounds of race, gender, ethnic origin, disability, age, sexual orientation, faith or any other factor irrelevant to a person's work.*

## Communication to staff

The BPC has a code of openness and recognises the Prospect union (formerly IPMS) for bargaining purposes. There is a meeting timetable that encourages both departmental and cross-departmental communication.

## Access to information

A register of members' interests is available for inspection by prior appointment with the Secretary. Information on the BPC's Code of Openness and Citizens Charter can be found on the BPC's website ([www.potato.org.uk](http://www.potato.org.uk)) or by contacting the Secretary.

## Freedom of Information Act 2000 (FOIA)

The Council is bound by the terms of FOIA, and of the Environmental Information Regulations 2004. Publication Schemes have been accepted by the Information Commissioner. The Schemes and related documents, including our Information Asset Register, are posted on the BPC's website ([www.potato.org.uk](http://www.potato.org.uk)).

## Payment of suppliers

Payment terms for goods and services are strictly observed by the Council. There is in place within the accounting system a facility to accommodate various terms ranging from the standard term of 30 days from the date of the invoice to shorter periods.

## SBEU Ltd

This wholly owned subsidiary of the Council has not traded since 1st July 1999 and all of its operations have been transferred over to the Council. See Note 14 to the accounts.

## Auditors

The accounts of the Council are audited by the Comptroller and Auditor General in accordance with section 7 of the Industrial Organisation and Development Act 1947 as amended by the Government Resources and Accounts Act 2000 (Audit of Public Bodies) Order 2003. Services are limited to the statutory audit and the fee for the audit work is £24,000. The sum of £3,000 is payable to PricewaterhouseCoopers LLP for the audit of SBEU Ltd. All relevant audit information has been provided to the BPC's auditors.

## Risk

The Council invests in cash funds, monitoring comparable rates of interest in order to maximise funds. Income is raised from statutory levy in the UK. Therefore, the Council is not exposed to liquidity or currency risks. The Council is exposed to credit risks, but the collection rate of 99%+ (see operational review) indicates that procedures are in place to deal with this. The Council is not exposed to price risk as the levy is set by Parliament.

## Report of the Council Members' responsibilities in respect of the accounts

In recognition of the wishes of the Council to comply as far as reasonably possible with company law in the preparation of these accounts the Council Members have agreed to the production of the following statement.

The Industrial Organisation and Development Act 1947 s.7(3) requires that the Council's accounts shall conform with the best commercial standards. Accordingly, Council Members are responsible for preparing accounts for each financial year which give a true and fair view of the Council's state of affairs and of its surplus or deficit and cash flow for the period.

In preparing these accounts, the Council Members have adopted a requirement to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Council will continue in business.

Council Members accept that they are responsible for keeping proper accounting records for the British Potato Council which disclose with reasonable accuracy at any time the financial position of the Council and enable them to ensure that the accounts comply with the Potato Industry Development Council Order 1997, the Industrial Organisation and Development Act 1947 and with the Companies Act 1985 as far as practicable. They are also responsible for safeguarding the assets of the Council and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Statement of the Accounting Officer's responsibilities

In preparing the financial statements the Accounting Officer is required to:

- Observe any accounts direction issued by the Ministers with responsibility for agriculture, including relevant accounting and disclosure requirements
- Apply suitable accounting policies on a consistent basis
- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent

- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Council will continue in operation.

The Accounting Officer for the Department for Environment, Food & Rural Affairs has

designated the Chief Executive of AHDB as the Accounting Officer for the Council. His relevant responsibilities as Accounting Officer, including his responsibility, in consultation with the devolved administrations, for the propriety and regularity of the finances of the Council for which he is answerable, and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum.

## Disclosure of information to auditors

As far as the Accounting Officer is aware there is no relevant audit information of which the BPC's auditors are unaware. The Accounting Officer has taken all the steps that ought to have been taken to be aware of any relevant audit information and to establish that the BPC's auditors are aware of that information.



Kevin Roberts  
Accounting Officer

11 July 2008



# Statement on internal control

## Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievements of BPC's policies, aims and objectives approved by Ministers, whilst at the same time safeguarding the public funds and BPC's assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting.

I attend with the BPC Chairman liaison meetings with invited representatives from the UK Agriculture Departments as required. These meetings review BPC's progress in key areas, e.g. service delivery and risk management, and enable Agriculture Departments to comment on performance and accountability arrangements.

## Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can, therefore, provide only reasonable and not absolute assurance of effectiveness. The system of internal control is based on a continuing process designed to determine the organisation's appetite for risk before identifying and prioritising the risks to the achievement of BPC's policies, aims and objectives, to evaluate the likelihood of those risks being realised and to manage them efficiently, effectively and economically. The system of internal control has been in place in the BPC for the period ended 31 March 2008 and up to the date of approval of the Annual Report and Accounts and accord with Treasury guidance.

## Capacity to Handle Risk

Strategic leadership on risk management issues comes from the Audit Committee, which is able to draw on the expertise of the Council with experience of the private sector and other Government bodies.

## The Risk and Control Framework

The Risk Register ranks risks in terms of probability and impact; appropriate actions have been identified and risk owners appointed for each risk.

A formal risk management review process is established within the BPC and is reviewed regularly by the Directors and by the Audit Committee.

## Review of effectiveness

My appointment as Accounting Officer of AHDB carries with it 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 auditors and the managers within the British Potato Council who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Council and the Audit Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place. I have not been made aware of any significant weaknesses in internal control during the year.

The BPC embraces the principles and requirements of good corporate governance and has established the following processes in maintaining and reviewing the effectiveness of the system of internal control:

- The Council which meets five times per annum to consider planning and strategic direction;
- A Directors' Group which meets monthly to develop strategy and the plans for its delivery and to monitor progress via regular management reports;
- Comprehensive budgetary systems with an annual budget which is reviewed and approved by the Audit Committee and the Council and submitted to Defra;
- Regular reviews by BPC's Audit Committee and Council of periodic and annual financial reports against forecasts;
- Maintenance of an organisation risk register;
- Maintenance of a disaster recovery plan.

The Audit Committee appointed South Coast Audit to undertake the internal audit function, which is conducted in accordance with the Government Internal Audit Standards. They submit regular reports, which include their independent opinion on the adequacy and effectiveness of BPC's system of internal control together with recommendations for improvement.



Kevin Roberts  
Accounting Officer

11 July 2008

## Remuneration report

The functions of a remuneration committee are carried out by the full Council, the membership of which is shown on page 16 of this report.

The BPC recognises the Prospect trade union, who submit a pay claim annually. This claim, along with the recommendations of the Directors, is discussed by the audit committee. The audit committee makes a recommendation to the full Council, who will approve the final award.

Bonus payments may be made in the event of performance that is significantly above the requirements of the post. Such payments require full justification from the line manager, and are approved by the Directors.

### Remuneration policy

The BPC Chairman and the Council, composed entirely of non-executive members, are appointed by the Secretary of State for the Department for Environment, Food and Rural Affairs, the Scottish Ministers and the Minister for Rural Affairs, National Assembly for Wales. Council members and the Chairman are appointed for terms of three years, and are eligible for re-appointment. In exceptional circumstances these terms may be extended, and the present Chairman and Council were in such a position where they were requested to remain in office until 31 March 2008, when the new levy board structure was put in place. Honoraria for Council members and remuneration of the Chairman are approved by the Secretaries of State. Members are corporately responsible for the overall operation of the Council and the stewardship of its funds.

With the exception of the Chairman, Council members do not receive remuneration but can claim an honorarium payment of £175.00 per day for meetings attended, or for work carried out solely on the Council's behalf. The amount of the honorarium is determined by the Department for Environment, Food and Rural Affairs after consultation with other ministerial departments. No pension contributions are paid for Council members.

The Chairman's remuneration is linked to Senior Civil Service pay bands and is adjusted pro-rata to reflect the number of days actually spent on BPC work. The BPC is advised annually of the salary by the Department for Environment, Food and Rural Affairs.

Council members and the Chairman are entitled to claim expenses for their work undertaken on behalf of the BPC. These are reimbursed at the same rate as that for employees of the BPC.

Details of remuneration, pension entitlements and benefits of the Chairman, Council members, and Chief Executive are set out below.

### Chairman and council members (audited)

The Chairman was initially appointed in 1997 and his contract of employment has been periodically renewed and he is deemed to be a permanent member of staff. The Chairman is a member of the Council's pension scheme and the Council's share of his pension contributions in 2007/08 was £8,245 (£7,017 for the 12 months ended 30 June 2007). The Chairman worked five days per week for six months during the period in place of the usual three days and his gross remuneration for the nine months period was £81,194 (£73,783 for the 12 months ended 30 June 2007). As a permanent member of staff the Chairman was awarded a redundancy payment of £42,305 upon the abolition of the post on 31 March 2008. The redundancy payment was calculated on the standard terms for BPC employees.

The following honoraria payments have been made to Council members:

Total received in the 9 months to 31 March 2008	
	£
J Bainbridge	1,225.00
C Bradley	1,050.00
R Doig	525.00
D Harley	875.00
R Harris	2,625.00
J Harrison	875.00
B Leathwood	875.00
K Littleboy	1,050.00
R Maddocks	875.00
J Rix	350.00
F Scott	700.00
A Stephens	1,400.00
N Twell	1,181.25
N Vermont	0.00
D Worth	1,050.00
	14,656.25

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

Ministers have the right to terminate the appointment of any Council Member under the circumstances outlined in the second schedule of the PIDC order 1997 (as amended in 1997 and 2002). Council Members may resign by giving notice in writing to Ministers. There are no notice periods or termination payments.

### Chief Executive (Audited)

The notice period for the Chief Executive is determined by the Council. The contract is terminable by either party, and requires 3 months notice. No termination payments apply.

The Chief Executive Officer was appointed on 1 July 2002 on a permanent basis and is an ordinary member of the Council's pension and life assurance scheme. The Council's share of her pension contributions was £4,761. The gross emoluments of the Chief Executive for the 9 month period were £92,554 (£108,202 for the 12 months ended 30 June 2007) including benefits of £4,505 relating to a car, and £634 relating to health care.

The number of employees, other than the Chief Executive, earning in excess of £45,000 (excluding pension contributions) is:

Total remuneration of other staff:

9 months to 31 March 2008

Between £75,000 and £79,999	-
Between £60,000 and £64,999	2
Between £55,000 and £59,999	-
Between £50,000 and £54,999	-
Between £45,000 and £49,999	2

12 months to 30 June 2007

Between £75,000 and £79,999	2
Between £60,000 and £64,999	1
Between £55,000 and £59,999	2
Between £50,000 and £54,999	4
Between £45,000 and £49,999	2



Kevin Roberts  
Accounting Officer

11 July 2008

# The certificate and report of the Comptroller and Auditor General to the Houses of Parliament and the Scottish Parliament

I certify that I have audited the financial statements of the British Potato Council for the period ended 31 March 2008 under the Industrial Organisation and Development Act 1947. These comprise the Group Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Group Balance Sheet, the Council Balance Sheet, the Cash Flow Statement 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 British Potato Council, the Accounting Officer and Auditor

The British Potato Council and the Accounting Officer are responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the Industrial Organisation and Development Act 1947 and Ministerial directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Industrial Organisation and Development Act 1947 and the Ministerial directions made thereunder. I report to you whether, in my opinion the operational review, included in the Management Commentary, and the Foreword to the Accounts are consistent with the financial statements. I also report whether 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.

In addition, I report to you if the British Potato Council has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal control reflects the British Potato Council's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the British Potato Council's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Management Commentary and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

## Basis of Audit Opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the British Potato Council and Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the British Potato Council's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that 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. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

## Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Industrial Organisation and Development Act 1947 and Ministerial directions made thereunder, of the state of the British Potato Council's affairs as at 31 March and of its surplus, total recognised gains and losses and cashflows for the period then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Industrial Development Act 1947 and Ministerial directions made thereunder; and
- the operational review, included within the Management Commentary, and the Foreword to the Accounts are consistent with the financial statements.

## 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.

I have no observations to make on these financial statements.



T. J. Burr  
Comptroller and Auditor General  
National Audit Office  
151 Buckingham Palace Road  
London

15 July 2008



# Financial report and accounts

## Group income and expenditure account

9 months ended 31st March 2008

		9 months to 31 March 2008	12 months to 30 June 2007
		Total Activities	Total Activities
	Notes	£(000)	£(000)
<b>Income</b>			
Levy income - area levies	2	4,944	4,755
Levy income - tonnage levies		830	1,119
Other income		226	279
<b>Total Income</b>		<b>6,000</b>	<b>6,153</b>
<b>Expenditure</b>			
Research and Development		(1,542)	(1,866)
Knowledge Transfer		(599)	(929)
Marketing		(1,205)	(1,266)
Market Information		(460)	(475)
Export & Seed		(250)	(370)
Levy Collection		(375)	(389)
Personnel, Administration and Legal Services		(637)	(690)
Finance, Internal Audit and Information Technology		(372)	(492)
Provision for dilapidations	12	(200)	-
		<b>(5,640)</b>	<b>(6,477)</b>
<b>Operating Surplus/(Deficit)</b>	7, 22	<b>360</b>	<b>(324)</b>
Investment income	3	165	200
Profit on disposal of fixed assets		3	14
<b>Surplus/(Deficit) before tax</b>		<b>528</b>	<b>(110)</b>
Tax	4	(43)	(49)
<b>Surplus/(Deficit) retained for the period</b>		<b>485</b>	<b>(159)</b>

The notional cost of capital of £101,500 has not been included in these accounts (see note 21).

All gains and losses relate to continuing activities.

The area levies are due in December and cover a full crop year and are incorporated in full in the above statement in accordance with accounting standards. The expenditure is for the nine month period only.

### Statement of total recognised gains and losses

	9 months to 31st March 2008	12 months to 30th June 2007
	Total Activities	Total Activities
	£(000)	£(000)
Surplus/(Deficit)	485	(159)
Unrealised surplus on revaluation of property	174	-
<b>Total recognised gains and losses since last annual report</b>	<b>659</b>	<b>(159)</b>

There were no acquisitions or disposals of operations during the year

The notes on pages 39 to 45 form part of these accounts.

# Balance sheet

At 31st March 2008

		<b>GROUP</b> 31 March 08 £(000)	<b>COUNCIL</b> 31 March 08 £(000)	<b>GROUP</b> 30 June 07 £(000)	<b>COUNCIL</b> 30 June 07 £(000)
	Notes				
<b>TANGIBLE FIXED ASSETS</b>	8	682	310	550	342
<b>INVESTMENT IN SUTTON BRIDGE EXPERIMENTAL UNIT</b>	14	-	372	-	208
<b>TOTAL FIXED ASSETS</b>		682	682	550	550
<b>CURRENT ASSETS</b>					
Debtors due within 1 year	9	829	829	618	618
Investments	10	1,696	1,696	1,623	1,623
Cash	10	2,434	2,434	2,178	2,178
Current assets		4,959	4,959	4,419	4,419
<b>CURRENT LIABILITIES</b>					
Creditors due within 1 year	11	(1,108)	(1,108)	(1,295)	(1,295)
<b>NET CURRENT ASSETS</b>		3,851	3,851	3,124	3,124
<b>Provisions and Liabilities</b>	12	(200)	(200)	-	-
<b>NET ASSETS</b>		4,333	4,333	3,674	3,674
<b>RESERVES</b>					
General reserve	17	3,148	3,158	2,577	2,703
Designated reserve	17	1,011	1,011	971	971
Revaluation reserve	17	174	164	126	-
		4,333	4,333	3,674	3,674

The notes on pages 39 to 45 form part of these accounts.



Kevin Roberts  
Accounting Officer

11 July 2008

## Group cash flow statement

The 9 months ended 31st March 2008

	Notes	9 months ended 31 March 08 £(000)	9 months ended 31 March 08 £(000)	12 months to 30 June 07 £(000)	12 months to 30 June 07 £(000)
<b>Net cash (outflow)/inflow from operating activities</b>	22		246		(70)
<b>Returns on investments and servicing of finance</b>					
Interest received			165		201
<b>Taxation</b>			(49)		(49)
<b>Capital expenditure and financial investment</b>					
Payments to acquire tangible fixed assets		(69)		(194)	
Receipts from sales of tangible fixed assets		25	(44)	35	(159)
			318		(77)
<b>Management of liquid resources</b>					
Net movement in investments	24		(329)		31
<b>(Decrease) in cash</b>	23, 24		(11)		(46)



# Notes to the accounts

## 1 ACCOUNTING POLICIES

### Accounting convention

These accounts are intended to comply with best commercial practice including Statements of Standard Accounting Practice and the Financial Reporting Standards issued by the Accounting Standards Board. The accounts have been prepared in accordance with the form agreed with the Department for Environment, Food and Rural Affairs under Section 7 of the Industrial Organisation and Development Act 1947, and in accordance with the 2007-08 Government Financial Reporting Manual (FReM) issued by MH Treasury. The accounting policies contained in the FReM follow generally accepted accounting practice for companies (UK GAPP) to the extent that it is meaningful and appropriate to the public sector. Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the British Potato Council for the purpose of giving a true and fair view has been selected. The accounts have been prepared on the historical cost basis as modified for the revaluation of fixed assets.

### Basis of preparation of Group Financial Statements

The Group Financial Statements consolidate the Financial Statements of the Council and its subsidiary, Sutton Bridge Experimental Unit Limited, using the acquisition method.

### Depreciation of fixed assets

The provision for depreciation on assets is calculated on the costs of fixed assets in order to write off such costs over the estimated useful lives of the assets by equal instalments. The expected lives have been reviewed as follows (unchanged from 2006/07):

Freehold buildings	10 - 50 years
Leasehold buildings	Life of the lease
Computer equipment	3 years
Furniture, fittings and office equipment	5 years
Plant and machinery	3 - 10 years
Vehicles	3 - 5 years

*Freehold land is not depreciated.*

*The Land at Sutton Bridge is revalued every four years at current market value. It was last revalued by external RICS qualified valuers on the basis of open market value in March 2008. Management and the valuers agreed that this was the most appropriate basis. The buildings at Sutton Bridge were also revalued at 31st March on the basis of open market value.*

### Stocks

Stocks are charged to income and expenditure in year of purchase.

### Investment income

Interest receivable and investment income are accounted for on an accruals basis.

### Liquid resources

The current asset investment comprising the money market deposit is included as a liquid resource for the purpose of the cash flow statement.

### Research & development

Research and development expenditure is charged to the income and expenditure account except costs relating to certain equipment and storage facilities which are accounted for as fixed assets. Such costs are accounted for on an accruals basis.

### Operating leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

### Pensions

The Council operates a Group Personal Pension Scheme for all staff. Employees contribute a fixed amount of 3.5% of salary and the Council a percentage of the employee's salary which is age related but equates to an average contribution of 9%. The final pension for the employee is not salary related but based on the value of the employee's fund at retirement.

Contributions payable to the scheme are charged to the income and expenditure account in the period to which they relate.

### Reserves

General reserve:

This is to be used to fund the costs should the British Potato Council be wound up so that no costs fall to the public purse.

Designated reserve:

This is to be used to fund the staff redundancy costs in the event of the winding up of the British Potato Council.

Revaluation reserve:

This represents the value of the land and buildings at Sutton Bridge over and above the original purchase price.

### Taxation

The BPC is exempt from corporation tax on its activities, as they do not constitute a trade. Taxation is payable on any investment returns and rentals received. Taxation is provided for in full, and as the group does not incur corporation tax on its activities no deferred tax is recognised.

### Financial Instruments

Financial assets and liabilities are measured at cost. Financial assets and liabilities are only offset when the Council:

- has a legally enforceable right to set off the recognised amounts; and
- it intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### Debtors

Provision is made for all debts more than 12 months old.

### Commitments

The Council has ongoing commitments for future R&D contracts (see note 13). These are not provided for in the accounts as they are capable of being withdrawn.

### Income

Under the Potato Industry Development Council Order 1997, the Council is empowered to register producers and purchasers of potatoes. Potato producers are required to declare plantings and pay a levy on the hectareage planted. Purchasers are required to submit monthly returns of potatoes purchased and pay a levy on the tonnage so bought. Potato producers are billed for payment, due on 1<sup>st</sup> December, in October of the crop year. These accounts reflect that the income for the full crop year is due on 1st December, and this is not adjusted to reflect that the accounting period is for nine months. Purchasers are billed quarterly in arrears e.g. for the tonnage purchased in the 3 months ended 30<sup>th</sup> September bills will be issued in late November, due for payment on 31<sup>st</sup> December. The Council submits for the approval of Ministers the levy rates which they wish to apply on area and on tonnage and the rates approved for the 2007 crop year were £39 per hectare and 17p per tonne if paid by the due date. Higher rates, reflecting the additional costs of collection, of £44 per hectare and 19p per tonne were approved for payments received after the due date. Interest is charged on overdue accounts on a daily basis at the London Interbank Offer Rate plus 1%. Levy income is presented at the rates paid by the levy payer.

# Financial report and accounts

## 2 LEVY INCOME

	9 months to 31 March 08	12 months to 30 June 07
	£(000)	£(000)
<b>AREA LEVY</b>		
Annual Levy	4,941	4,753
Interest on delayed contributions	3	2
	<b>4,944</b>	<b>4,755</b>

Income from growers (area levy) is due in December for the full crop year.

	9 months to 31 March 08	12 months to 30 June 07
	£(000)	£(000)
<b>TONNAGE LEVY</b>		
Annual Levy	<b>830</b>	<b>1,119</b>

## 3 INVESTMENT INCOME

	9 months to 31 March 08	12 months to 30 June 07
	£(000)	£(000)
Interest on money market deposits	165	200

## 4 TAXATION

### Tax on ordinary activities

	9 months to 31 March 08	12 months to 30 June 07
	£(000)	£(000)
Corporation tax on interest income	33	38
Corporation tax on letting income	10	11
Current Tax	43	49

Taxation for the period based on operating deficit before taxation adjusted for tax purposes at 20% (2007 19%).

### Tax reconciliation

	9 months to 31 March 08	12 months to 30 June 07
	£(000)	£(000)
Surplus/(Deficit) before tax	528	(110)
Surplus/(Deficit) multiplied by standard rate of 30%	158	(33)
Effect of non-taxable items (Note 1)	(93)	44
Utilisation of small companies rate of tax	(22)	(28)
Taxation for the period based on operating deficit before taxation adjusted for tax purposes at 20% (2007: 19%)	(43)	(49)

The tax charge incurred on the BPC's surplus for the period is different from the standard UK Corporation Tax rate for small companies of 20% as explained in Note 1.

## 5 COUNCIL MEMBERS

	9 months to 31 March 08	12 months to 30 June 07
	£	£
Expenditure, relating to meetings, which includes £175.00 (£104.50 before March 2007) honorarium per member for meetings attended, and all other expenses such as room hire etc. The Council Members did not receive any other emoluments. The Council held 19 formal meetings of full council and committees (22 in the previous year).		
	52,623	49,382
	£	£
Remuneration and taxable benefits of the Chairman D.F. Walker	131,744	80,795

For 6 months during 2007/2008, the Chairman was contracted by the BPC to work 5 days per week instead of the usual 3 days per week. The remuneration level paid to the Chairman has been determined by the Ministers and the honoraria paid to Council Members approved by Ministers.

## 6 EMPLOYEES

	9 months to 31 March 08	12 months to 30 June 07
<b>(a) Average number of employees by activity during the period</b>		
Marketing and communications	17	17
Research and development and market information	5	5
Management, personnel and registration	11	12
Finance, internal audit and information technology	6	7
Sutton Bridge Experimental Unit	8	8
	47	49

The 2007/08 staff numbers include 5 part-time staff members (5 in 2006/07).

	9 months to 31 March 08 £(000)	12 months to 30 June 07 £(000)
<b>(b) Employment costs</b>		
Wages and salaries	1,349	1,630
Social security costs	151	177
Other pension costs	172	163
Redundancy costs	42	-
	1,714	1,970

## 7 OPERATING SURPLUS/DEFICIT

The operating surplus/deficit is arrived at after charging:

		9 months to 31 March 08 £(000)	12 months to 30 June 07 £(000)
Audit Fees	- BPC	24	20
	- SBEU	3	3
Depreciation		90	105
Operating Lease Rentals	- Plant & Machinery	35	36
	- Other	127	169

The audit fee for SBEU Ltd is paid for by the BPC as sole shareholder.

# Financial report and accounts

## 8 GROUP TANGIBLE FIXED ASSETS

	Freehold land and buildings £(000)	Short leasehold buildings £(000)	Computers, furniture, fittings and office equipment £(000)	Plant equipment and vehicles £(000)	Total £(000)
<b>Cost or Valuation</b>					
As at 1 July 2007	508	311	174	1,118	2,111
Revaluations in the period	(136)	-	-	-	(136)
Additions during the period	-	-	1	68	69
Disposals during the period	-	-	(31)	(48)	(79)
As at 31 March 2008	372	311	144	1,138	1,965
<b>Depreciation</b>					
As at 1 July 2007	300	193	158	910	1,561
Revaluations in the period	(310)	-	-	-	(310)
Charge for the period	10	20	9	51	90
On disposals during the period	-	-	(31)	(27)	(58)
As at 31 March 2008	-	213	136	934	1,283
<b>Net Book Value</b>					
<b>As at 31 March 2008</b>	<b>372</b>	<b>98</b>	<b>8</b>	<b>204</b>	<b>682</b>
As at 30 June 2007	208	118	16	208	550

## COUNCIL TANGIBLE FIXED ASSETS

	Short leasehold buildings £(000)	Computers, furniture, fittings and office equipment £(000)	Plant equipment and vehicles £(000)	Total £(000)
<b>Cost or Valuation</b>				
As at 1 July 2007	311	168	269	748
Additions during the period	-	3	66	69
Disposals during the period	-	(31)	(48)	(79)
As at 31 March 2008	311	140	287	738
<b>Depreciation</b>				
As at 1 July 2007	193	154	59	406
Charge for the period	20	9	51	80
On disposals during the period	-	(31)	(27)	(58)
As at 31 March 2008	213	132	83	428
<b>Net Book Value</b>				
<b>As at 31 March 2008</b>	<b>98</b>	<b>8</b>	<b>204</b>	<b>310</b>
As at 30 June 2007	118	14	210	342

## 9 DEBTORS

	<b>GROUP</b> 31 March 08 £(000)	<b>COUNCIL</b> 31 March 08 £(000)	<b>GROUP</b> 30 June 07 £(000)	<b>COUNCIL</b> 30 June 07 £(000)
Due within 1 year				
Trade: Producers	179	179	39	39
Purchasers	399	399	319	319
Other	31	31	37	37
Car loans	4	4	6	6
Other (including taxation)	95	95	50	50
Prepayments and accrued income	121	121	167	167
	<b>829</b>	<b>829</b>	<b>618</b>	<b>618</b>



## 10 INVESTMENTS, CASH AND MONEY MARKET DEPOSITS

	<b>GROUP</b> 31 March 08	<b>COUNCIL</b> 31 March 08	<b>GROUP</b> 30 June 07	<b>COUNCIL</b> 30 June 07
	£(000)	£(000)	£(000)	£(000)
Money market deposits	2,434	2,434	2,178	2,178
Cash	(12)	(12)	(1)	(1)
Non-listed investments - accumulating cash fund deposit.	1,696	1,696	1,623	1,623

## 11 CREDITORS

	<b>GROUP</b> 31 March 08	<b>COUNCIL</b> 31 March 08	<b>GROUP</b> 30 June 07	<b>COUNCIL</b> 30 June 07
	£(000)	£(000)	£(000)	£(000)
Due within 1 year				
Trade Creditors	685	685	572	572
Research and Development Accruals	101	101	222	222
Marketing Accruals	31	31	203	203
Other Creditors (inc. taxation & social security)	166	166	101	101
Other Accruals and deferred income	113	113	196	196
Bank overdraft	12	12	1	1
	1,108	1,108	1,295	1,295

## 12 PROVISIONS

Under the terms of the Lease on Nash Court in 2013, the British Potato Council is obliged to return the office premises to its original condition. The BPC has allowed for the estimated costs in full (£200,000). (2007 NIL)

## 13 COMMITTED EXPENDITURE

There is committed expenditure against existing R&D contracts of £1,313,213 over the next three years. The BPC can withdraw from these contracts.

## 14 SUTTON BRIDGE EXPERIMENTAL UNIT LTD

This is a wholly owned, but non-trading, subsidiary of the Council registered in England & Wales. The deficit, for the nine months ended 31 March 2008 was £10,000 (2006/07 £41,000). At 31 March 2008 it had a called up share capital of £808,000, and a negative profit

and loss account of £610,000. At 30 June 2007 it had a called up share capital of £808,000 and a negative profit & loss account of £600,000. These figures are incorporated in the consolidated financial statements.

## 15 AUTHORISED FUTURE CAPITAL EXPENDITURE

There is no authorised future capital expenditure for which provision has to be made.

## 16 LEASE COMMITMENTS

The Council leases a number of properties under operating leases. The minimum annual rentals under these leases are as follows:

Operating leases which expire:  
In over 5 years - Land and Buildings  
in 1 to 5 years - Other

9 months to 31 March 08 £(000)	12 months to 30 June 07 £(000)
169	169
47	46
<b>216</b>	<b>215</b>

## 17 RESERVES

	GENERAL	GROUP DESIGNATED	REVALUATION	TOTAL
	£(000)	£(000)	£(000)	£(000)
Balance at 1 July 2007 as previously stated	2,577	971	126	3,674
Transfer to General Reserve from Revaluation Reserve	126	-	(126)	-
Surplus on Income and Expenditure Account	485	-	-	485
Revaluations	-	-	174	174
Transfer of assets from General to Designated Reserve	(40)	40	-	-
As at 31 March 2008	<b>3,148</b>	<b>1,011</b>	<b>174</b>	<b>4,333</b>

	GENERAL	COUNCIL DESIGNATED	REVALUATION	TOTAL
	£(000)	£(000)	£(000)	£(000)
Balance at 1 July 2007	2,703	971	-	3,674
Revaluation of SBEU investment	-	-	164	164
Profit on Income and Expenditure Account	495	-	-	495
Transfer of assets from General to Designated Reserve	(40)	40	-	-
As at 31 March 2008	<b>3,158</b>	<b>1,011</b>	<b>164</b>	<b>4,333</b>

The designated reserve is a portion of the Council's retained reserve and represents provision for potential redundancy payments that would have to be made in the eventuality that the Council might be required to cease its activities through some as yet unforeseen decision of Government.

## 18 FINANCIAL PERFORMANCE

The key corporate financial targets and performance are set out in both the **foreword** and the **annual report**.

## 19 CONTINGENT LIABILITIES

There are no contingent liabilities.

## 20 RELATED PARTY TRANSACTIONS

The Council owns 100% of the share capital of SBEU Limited, a non-trading company (see note 14).  
The Council received payment of £32,250 (£43,000 in 2007) from DEFRA for the supply of statistical data.  
There were no balances owed to or from the above organisations at 31st March 2008 (2007 NIL).

## 21 NOTIONAL COST OF CAPITAL

HM Treasury requires Non-Departmental Public Bodies to make a notional charge in their accounts for the cost of capital employed in their activities. The notional cost of capital represents the opportunity cost of the investment in the BPC. Given the nature of the BPC's business and its funding arrangements, the Council considers it would be inappropriate to include such a charge in the Income &

Expenditure Account. However, the notional cost of capital is shown as a memorandum item. In the nine months ended 31 March 2008 this is determined by applying 3.5% to the average capital employed by the BPC during the year, and indicates the return on the investment that an investor would otherwise be able to expect at a comparable level of risk.

## 22 CASH INFLOW/OUTFLOW

	9 months to 31 March 08	12 months to 30 June 07
	£(000)	£(000)
Operating Surplus/(Deficit)	360	(324)
Depreciation charges	90	105
Decrease/(Increase) in debtors	(211)	47
(Decrease)/Increase in creditors	(193)	102
Increase in Provisions	200	-
Net cash inflow/(outflow) from operating activities	246	(70)

## 23 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	9 months to 31 March 08	12 months to 30 June 07
	£(000)	£(000)
Decrease in cash for the period	(11)	(46)
Increase/(Decrease) in liquid resources	329	(31)
Net funds at 1 July	3,800	3,877
Net funds 31 March/30 June	4,118	3,800

## 24 ANALYSIS OF CHANGES IN NET FUNDS

	Balances at 1 July 2007	Cash Flows	Balances at 31 March 2008
	£(000)	£(000)	£(000)
Cash	(1)	(11)	(12)
Current Liquid Resources	2,178	256	2,434
- Money market deposits			
- Non listed investments - Accumulating cash fund deposit	1,623	73	1,696
Net funds	3,800	318	4,118

## 25 POST BALANCE SHEET EVENTS

On 1 April 2008 the functions, responsibilities, assets and liabilities of the British Potato Council were transferred to its successor, the Agriculture and Horticulture Development Board (AHDB). This transfer was in accordance with the Statutory Instrument (2008/576) which received

approval from UK Ministers and was laid before the Westminster Parliament on 13 November 2007 and approved by the Scottish Parliament on 23 January 2008.

In accordance with the Financial Reporting Manual (FRoM), these accounts have been

prepared on a going concern basis as British Potato Council's services will continue to be provided by AHDB.

The Annual Report and Accounts were authorised for issue by the AHDB Accounting Officer on 11 July 2008.











#### **Auditors**

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

#### **Bankers**

Barclays Bank PLC  
Cowley  
PO Box 333  
Oxford  
OX1 3HS

#### **Solicitors**

Blake Lapthorn Tarlo Lyons  
Seacourt Tower  
West Way  
Oxford  
OX2 0FB

#### **Solicitors (Scotland)**

Brodies LLP  
15 Atholl Crescent  
Edinburgh  
EH3 8HA

#### **Registered office**

4300 Nash Court  
John Smith Drive  
Oxford Business Park South  
Oxford  
OX4 2RT



British Potato Council  
4300 Nash Court John Smith Drive  
Oxford Business Park South Oxford OX4 2RT

Tel: 01865 714455

Fax: 01865 782200

[www.potato.org.uk](http://www.potato.org.uk)



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