Veterinary Laboratories Agency®

ANNUAL REPORT AND ACCOUNTS 2009-2010

An Executive Agency of the
Department for Environment, Food & Rural Affairs (Defra)

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MISSION STATEMENT

2009-2010

"To safeguard public and animal health, protect the economy and enhance food security through world-class veterinary research and surveillance."

CHIEF EXECUTIVE'S REVIEW

In my review for 2008/09 I spoke about VLA's new five-year strategy published in April 2009. This strategy outlines three key business drivers for the Agency reflecting the many challenges we face over the coming years. In brief they include the need to raise our profile and influence both in the UK and abroad, maintain our excellent scientific knowledge and services, and improve our sustainability, efficiency and flexibility. I am pleased to report that we have already made good progress in all these areas.

A first step in **raising our profile** and improving collaborative working was the success of VLA's first international conference, Animal Diseases 2009, at Royal Holloway, University of London (RHUL). Sessions were jointly organised with Defra, the Institute for Animal Health, and our sister agencies, Cefas and Fera. The conference was held over three-days and was attended by over 400 delegates from around the world including colleagues from government organisations, veterinary institutes and universities.

The Conference also featured the signing of a memorandum of understanding between VLA and RHUL to formalise our collaboration, and presentation of the first VLA International Rooker Prize for a young scientist who has made an outstanding contribution to veterinary science by improving livestock animal health.

Plans are already well underway for the VLA National Conference 2010 which will take place at the University of Warwick in September. We are organising this event with the Veterinary Medicines Directorate (VMD), the Government Veterinary Surgeons (GVS) the Association of Government Veterinarians (AGV) and the British Society for Antimicrobial Chemotherapy.

To make sure that we continue to maintain and improve our **excellent scientific knowledge and services** we will soon publish a new research and development strategy. A first step in this strategy has been the launch of our PhD programme in 2009 attracting considerable interest from university partners, which has helped us to fund over 20 studentships.

VLA scientists played an important part in high profile stories that dominated the news headlines during 2009/10, namely the swine influenza pandemic and the outbreak of VTEC O157 linked to open farms.

We have over 35 years of experience in working on animal influenza viruses and have national and international programmes on the diagnosis, research and surveillance of influenza in pig populations. The human outbreak was an opportunity for us to share this expertise and work closely with our public health partners, such as the Health Protection Agency (HPA), and institutes across the world by providing consultancy, reagents and test protocols. We also confirmed the first case of pandemic H1N1 influenza virus in pigs in mainland UK following our diagnosis of cases of infection in Northern Ireland.

The benefits of our close working relationship with HPA were also highlighted when we worked together on the investigation of the outbreaks of VTEC O157 linked to open farms. Our support extended from collecting samples from farms, specialist culture diagnosis and providing advice on potential sources of infection and minimising the risk of infection to the public.

All these activities highlight the effectiveness and value of our national and global collaborations with other government organisations and institutes working on both animal and public health. They also demonstrate the value of our regional laboratory network which plays a vital role in disease surveillance and diagnosis. This is further highlighted by our confirmation of bleeding calf syndrome in the UK and our joint research with the Scottish Agricultural College to identify its cause.

Our scientific expertise and experience has been the foundation for the launch of our new testing and consultancy scheme, Herdsure Cattle Health Improvement Service. The aim of this new service is to help veterinary practitioners provide farmers with a structured, simple and cost-effective programme to support health planning on farms.

Towards the end of the year a significant milestone was achieved when we became the marketing authorisation holder for BadgerBCG, the first tuberculosis vaccine for badgers. Working closely with The Food and Environment Research Agency, we have led the research on the development of TB vaccines for badgers in the field as part of Defra's Badger Vaccine Deployment Project. BadgerBCG is an injectable form of the human TB vaccine which will be used in six areas of England where TB is most prevalent. Our research over the next year will now focus on the development of an oral bait vaccine for wild badgers.

Our quality management system is at the heart of the delivery of our science. This is exemplified by our achieving corporate certification to ISO 9001:2000 in 2005 with a successful migration to the 2008 model of the quality standard in January 2010. Our multi-site accreditation to ISO 17025 has also expanded to include further tests and we have just completed a successful Investors in People assessment.

Health and safety in the workplace is a priority for any organisation and it has been a particular interest of mine since joining VLA. During the last year, we have started to implement a safety improvement action plan for the whole Agency which has been endorsed by the Health and Safety Executive. This is already proving effective at improving our health and safety record. We have also improved communications to increase awareness of safety issues and introduced a new annual safety award to recognise colleagues' contributions to improving the safety of our procedures.

We have taken a wide range of actions to ensure our **sustainability, efficiency and flexibility**. We have introduced a number of organisational changes and improved our business processes, which have led to cost savings and greater flexibility. We also continue to investigate the possibilities of generating income from sharing our estate with other government organisations.

Although we face the prospect of a difficult year ahead financially, I am very excited about the launch of VLA Scientific early in 2010/11. VLA Scientific brings together our broad range of commercial products and services under a new simple identity. It will bring many benefits to VLA customers and partners by improving access to our unique range of skills, expertise and facilities, and in turn providing us with new income opportunities.

I look forward to reporting on further progress on VLA's strategy including VLA Scientific in next year's overview.

A more detailed review of our science highlights will be published in the VLA Annual Review 2009/10.

Professor S. Peter Borriello
Chief Executive and Agency Accounting Officer 24 May 2010

DIRECTORS' REPORT
For the year ended 31 March 2010

Treasury Direction
The accounts have been prepared in accordance with a direction issued by the Treasury in accordance with section 7(2) of the Government Resources and Accounts Act 2000.

Background Information
The Veterinary Laboratories Agency (VLA) became an Executive Agency of the Ministry of Agriculture, Fisheries and Food (MAFF) on 2 April 1990, with the then title of Central Veterinary Laboratory (CVL). Before this date the Laboratory formed part of the State Veterinary Service within the Ministry.

On 1 October 1995, CVL combined with the Veterinary Investigation Service in England and Wales, (until then part of the Ministry), to form an enlarged Agency under the new name of the Veterinary Laboratories Agency.

In 2001, the Government created the Department for Environment, Food and Rural Affairs (Defra), which incorporated all functions of former MAFF together with other bodies.

VLA's main premises are near Weybridge in Surrey. There are also 15 regional laboratories located throughout England, Wales and Scotland.

Principal Activities
VLA's main activities are to:

(a) Provide Defra with an effective source of specialist laboratory and epidemiological scientific and technical expertise in the field of animal and public health.

(b) Deliver specialised diagnostic, research and advisory services and products across the fields of infections, chemicals and poisons, and ionising radiations as required by Defra in pursuit of its statutory and policy objectives in the animal and public health sector.

(c) Deliver services and products to other public and private sector organisations on a commercial basis, to help maintain and develop its efficiency and expertise.

VLA Management Board
The Directorate performs this function and comprises the following members:

Prof S. Peter Borriello	Chief Executive and Agency Accounting Officer
Mr Chris Morrey	Business Director
Mr Roger Hancock	Veterinary Director (until 30 September 2009)
Mr Andrew Soldan	Acting Veterinary Director (from 1 October 2009)
Prof Chris Thorns	Science Director
Prof John Preston	External Member

VLA Owner's Advisory Board
It is Defra policy that each Executive Agency has a corporate owner accountable to the Defra Management Board for managing the ownership relationship with the Agency; for VLA this is the Chief Veterinary Officer.

The VLA Owner's Advisory Board (VOAB) was established to assist the corporate owner fulfil this task. Its remit is to advise the corporate owner on:

- the strategic direction for the VLA,
- setting targets and business plans,
- reviewing performance,
- challenging the Agency on continuous improvement, and
- setting the level of oversight consistent with capacity and risk.

Membership of the Board:

Mr Nigel Gibbens	Chairman, Chief Veterinary Officer, Defra
Prof Chris Gaskell	External Member
Prof S. Peter Borriello	Chief Executive and Agency Accounting Officer, VLA
Mr Chris Morrey	Business Director, VLA
Dr Anne Grocock	External Member
Prof Robin Pritchard	VLA Audit & Risk Committee Chair
Mr Alick Simmons	Deputy Chief Veterinary Officer, Defra and Customer Board Chairman
Mr Chris Pleass	Head of Finance and Business Management, Food & Farming Group, Defra
Prof Charles Milne	Chief Veterinary Officer, Scotland (until 7 July 2009)
Mr Simon Hall	Chief Veterinary Officer, Scotland (from 8 July 2009)
Dr Christianne Glossop	Chief Veterinary Officer, Wales

Customer Income
Our work for Defra, during the year, accounted for 87% of our total revenue (2008-09, 89%) We continue to seek income from other sources, recognising that our core work is with Defra.

R&D Activities
Our research and development work underpins the work of Defra's Food and Farming Group (FFG) in the control of animal diseases of statutory or public health significance. This work amounted to 22% of the total income from Defra in the year (2008-09, 21%).

Audit Services
The provision of Internal Audit was supplied by RSM Tenon. The External Auditor is the Comptroller and Auditor General.

The Accounting Officer has taken all steps considered necessary to ensure that he is aware of any relevant audit information and that the External Auditors are also aware of that information. As far as the Accounting Officer is aware, there is no relevant audit information of which the External Auditors are unaware.

Payment Policy
VLA's policy is to settle all creditors' accounts within creditors' own payment terms and conditions. During the year, the VLA paid 99% of bills by the due date (2008-09, 96%).

In December 2008 the Government introduced an initiative to pay suppliers within 10 working days. VLA supports this initiative and during the year paid 88% of bills within 10 working days.

Disabled Persons Policy
We have our own Disabled Persons Officer who is responsible for VLA complying with the Civil Service Code of Practice on the employment of people with disabilities. All our posts are open to people with disabilities and our recruitment advertisements have an equal opportunity statement and the official disability symbol. We aim to retain staff who become disabled whilst in employment, either in their existing post or in alternative suitable work. Our policies and procedures meet the requirements of the disability Two Ticks standard. The number of disabled persons employed by VLA at 31st March 2010 was 141.

Communication
Effective communication is an important part of the development and management of VLA. Our corporate communication channels include team briefings, an intranet and newsletters which keep staff informed of VLA's performance and financial situation. These are complemented by focus groups and workshops, when appropriate, to consult and involve staff during times of change and decision-making.

Regular audits are used to monitor the effectiveness of communication and to drive improvements. The national and departmental agreements on consultation procedures have been maintained.

Pensions
All staff are eligible to join the Principal Civil Service Pension Scheme (PCSPS). An outline of the scheme is included in the Remuneration Report. Details of how pension liabilities are treated are in the notes to the accounts at 1 (m).

MANAGEMENT COMMENTARY

Aim
Our main aim is to help deliver the UK's requirements for animal and public health, and sustainable agriculture and food industries by delivering excellent and value for money knowledge, evidence and services.

Vision
Our vision is to be recognised as the leading national source and a key international source of quality evidence-based scientific and technical advice, services, support and leadership on surveillance, epidemiology and laboratory sciences for animal health and zoonoses. We want to make a difference and to be recognised by all as an organisation that provides benefit at the local, regional, national and international level.

Service Performance and Quality Targets
Our targets are set within the context of Defra's key business areas:

- Value for Public Money
- Profile, Influence and Responsiveness
- Excellent Scientific Knowledge and Services
- Capacity and Capability.

We provide the base data to enable Defra's Internal Audit Division to verify our performance and provide an independent assessment to Defra. This statement has their approval.

Value for Public Money
We are required to recover our full economic costs within the permitted 2% tolerance range through charges for services we provide to Defra and other public and private sector customers. In assessing performance against this target, we exclude early retirement costs and other exceptional items, but include notional insurance premiums (see note 3 to the accounts).
This target was achieved in 2009-10 as shown below.

	2009-10 (£'000)	2008-09 (£'000)
Operating income	109,649	106,024
Administration costs	129,590	111,726
Operating cost statement (deficit)	(19,941)	(5,702)
Adjustments disclosed in note 3 to the accounts	21,890	4,430
Surplus/(deficit) for the year after adjustments	1,949	(1,272)

Our costs include a capital charge of £42,957,000 (2008-09, £26,727,000) comprising cost of capital, depreciation, impairment on buildings to be demolished and downward asset revaluations.

Profile, Influence and Responsiveness

- **Achieve a score of 85% in the customer satisfaction survey based on a three-year rolling average. (Previous years' targets were 85% for 2008-09 and 82% for 2007-08).**
  Each year we send a questionnaire to our main government customers, Defra and the Food Standards Agency (FSA), who account for nearly 90% of our work. The survey asks them to score our performance against a number of set questions on projects from across our Science Programmes which were completed during the year. The returned questionnaires and the comments enable us to identify trends (good and bad) and lessons to be learned. This process is managed by the Business Division and the results of the consolidated returns are calculated to give an overall satisfaction score based on a weighting of individual project values. The report is circulated to the Directorate and Science Programme Managers who are required to produce an action plan in response to any issues raised in their area. A report on the outcome is presented to the Customer Board.
  This target was met in each of the last three financial years.

- **Improve VLA's safety record using 2007-08 as comparator.**
  This was a new target for 2009-10. A number of the VLA's activities involve working with hazardous substances and animal husbandry so the safety of our staff is very important. A key aim is to improve our safety record and so a target was agreed to this effect using 2007-08 as a full year comparator rather than 2008-09 as we had implemented our safety improvement plan midway through the year. Achievement of this target is measured primarily against the number of Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDORs) in the year.
  This target was met in 2009-10

Excellent Scientific Knowledge and Services

- **Achieve 90% of Rationale Objectives Appraisal Monitoring Evaluation (ROAME) R&D milestones (2008-09, 90%; 2007-08, 85%).**
  This is an agreed performance measure for our work on research projects for Defra. It is set at the project initiation stage and covers the agreed milestones for the period of the projects, such as interim and final reports. The customer must agree any changes to the original timescale. The Business Division monitors performance during the year and provides regular progress reports to Defra and internally through its milestone tracking system.
  This target was met in each of the last three financial years.

- **Achieve 85% of surveillance deliverables on time.**
  This is similar to the above target except it covers our surveillance work and a much broader range of outputs. The surveillance work is made up of numerous projects for different customers in Defra's Food and Farming Group. The projects' deliverables vary and can be a monthly report or less frequent, depending on the nature of the individual project. We monitor and report on progress in a similar way to the above target.
  This target was met in each of the last three financial years.

- **Achieve 85% of research final reports on time.**
  This was a new target for 2008-09. Research projects usually span three years and this target relates to those projects completed during the year.
  This target was met in 2009-10 and 2008-09.

- **Maintain appropriate third party quality accreditations.**
  We achieved a range of formal external standards such as ISO 9001 across the Agency, ISO 14001, Good Laboratory Practice, Good Manufacturing Practice, Investors in People and ISO 17025 in different areas of our operations. Maintaining these standards is an important measure of demonstrating our commitment to quality. They are subject to regular audit and inspection and maintaining them is a challenging target.
  This target was met in each of the last three financial years.

Capacity and Capability

- **Conduct one tabletop notifiable disease simulation exercise to test current laboratory response capability, identify gaps and implement action plan.**
  The VLA plays a critical role in the event of a notifiable animal disease outbreak and this target was set to ensure capability was tested in readiness for any actual outbreaks. A member of the Directorate in his capacity as chair of the Disease Emergency Response Committee ran a simulation of an African Swine Fever outbreak (rabies 2008-09), identified actions and ensured that these were taken forward.
  This target was met in 2009-10 and 2008-09.

Risk Policy
Risk management is one of the key internal controls within VLA and the policies are subject to regular review by VLA's Management Board and the Audit and Risk Committee. Full details of the risk environment within VLA are explained within of the Statement on Internal Control.

Land and Buildings
The premises occupied by VLA comprise:

- A main laboratory site of 15 hectares near Weybridge, Surrey, with adjacent grassland and farm buildings of 75 hectares plus a farm unit of 50 hectares located within eight miles from the site.
- 15 Regional Laboratories throughout England, Scotland and Wales.

Sustainable Development
We have clearly defined responsibilities for sustainable development and the monitoring and reporting of our performance is included in annual reports. We also integrate sustainable development into all our policy making and procedure setting. Our approach to environmental management is consistent with the principles of the UK Sustainable Development Strategy 'Securing the Future' which are:

- Using sound science responsibly.
- Promoting good governance.
- Ensuring a strong, healthy and just society.
- Achieving a sustainable economy.
- Living within environmental limits.

We have an ISO 14001 accredited Environmental Management System, an Environmental Policy and a detailed Environmental Management Programme. We have published a Sustainable Development Action Plan which is available at www.vla.gov.uk.

Eleven of our 16 sites, including Weybridge, have achieved ISO 14001 certification and we are working towards corporate certification across all of VLA.

Efficiency and Flexibility
We continually review our operations to seek improvements to our operations and with the uncertain economic climate this has increased in importance. During the year we have started to review our structure and have merged some units into larger departments to enable us to be more responsive and flexible to demand obtaining synergies from the process. We have also consulted staff to identify opportunities for further efficiencies and income generation. The outcome is a definitive list of actions that are currently being taken forward.

Recruitment
We have systems in place to ensure that recruitment is carried out using fair and open competition, and that selection is based on merit. This is subject to regular internal checks and an annual audit of VLA's recruitment policy and procedures in order to ensure compliance with the Civil Service Commissioners' Recruitment Principles. Further information is available on our website.

Diversity and Equality
We operate a policy of equal opportunity regardless of race, age, marital status, religious beliefs, sexual orientation, disability or ethnicity. All staff are encouraged to develop themselves within their posts and progress to higher levels if they wish to do so. Progression is through fair and open competition based on merit. As required by legislation, we have published our Equality Scheme and progress reports at www.vla.gov.uk.

Staff are able to join the various Defra groups such as the part-time and disability networks. Staff also have access to a Welfare Officer, Harassment Officers and Trade Union Representatives, as well as Human Resources, if they wish to discuss any issues. There is an Agency Equal Opportunities Officer and a Diversity Champion.

Employee Involvement
We aim to have a workforce able and capable of meeting its aims and objectives and to have the necessary skills and expertise to achieve these goals. Staff are encouraged to become involved and to develop using the wide range of learning and development methods available to them.

Staff have been involved in the development of the Equality Scheme, can attend Directorate meetings, join a union and be represented by the VLA Trade Union Side (TUS). Twice yearly Whitley meetings are held between senior management and the TUS as well as other more informal meetings to discuss policies and issues raised by staff.

Staff are encouraged to take part in the 'Have Your Say' staff opinion surveys which are followed by action plans to implement areas which need improving. The last survey was held in October 2009.

We were awarded the Investor in People standard in December 1999 and since then we have maintained the standard against ever more challenging criteria. This is reflected in the opportunities available to staff to develop themselves in line with the needs of the business.

Data Handling
We have reviewed our data handling procedures in line with Cabinet Office instructions. We can confirm that there have been no personal data related incidents.

Cost Allocation and Charging
We have complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information Guidance.

Sick Absence
The average working days lost per employee during the year was 8.4 (2008-09, 9.5).
33% of staff had no sick leave during the year (2008-09, 32%).

REMUNERATION REPORT

Remuneration Policy
The remuneration of Senior Civil Servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries.

In reaching its recommendations, the Review Body must consider the following:

- The need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities.
- Regional / local variations in labour markets and their effects on the recruitment and retention of staff.
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services.
- The funds available to departments as set out in the Government's departmental expenditure limits.
- The Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Further information about the work of the Review Body can be found at www.ome.uk.com.

Assessment of Performance
The Chief Executive and all senior managers are subject to a performance system that monitors their performance against agreed targets. For members of the SCS this is the performance management system introduced by the Civil Service Management Board. For the remaining managers, it is the performance management system as adopted by VLA.

Service Contracts
Civil Service appointments are made in line with the Civil Service Commissioners' Recruitment Code. This requires appointment to be made on merit, on the basis of fair and open competition. The Code also includes the circumstances when appointments may otherwise be made.

The officials covered by this report, who are mainly Senior Civil Servants, hold appointments which are open-ended (except the Chief Executive), until they reach the normal retiring age of 65, although they have the option to retire at 60. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

The other officials are covered by standard VLA contracts which have no mandatory retirement age but keep the option to retire at 60.

Further information about the work of the Civil Service Commissioners can be found at www.civilservicecommissioners.gov.uk.

The audited salary and pension entitlements of most of the senior managers were as follows:

	Salary, including performance pay [2008-09] (£k)	Real increase in pension and lump sum at age 60 (£k)	Total accrued pension at age 60 at 31/3/10 and related lump sum (£k)	CETV at 31/3/09 (£k)	CETV at 31/3/10 (£k)	Real increase in CETV as funded by employer (£k)
Prof S. Peter Borriello	125-130 [55-60]	3	4	18	58	34
Roger Hancock	45-50 [85-90]	3	98	473	507	14
Chris Morrey	85-90 [90-95]	6	48	229	272	30
Chris Thorns	80-85 [85-90]	7	146	787	867	37
Andrew Soldan	30-35 [n/a]	4	37	139	152	15

Andrew Soldan was appointed to the Directorate on 1 October 2009.

Full year equivalents for part year officials were:

	2009-10	2008-09
	£k	£k
Prof S. Peter Borriello	-	115-120
Andrew Soldan	65-70	-
Roger Hancock	85-90	-

Salaries include gross salaries, performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. There were no benefits in kind (2008-09, nil).

Non Executive members of the Audit and Risk Committee are paid £600 for attendance of each meeting. During the year Prof Robin Pritchard (Chairman) and Mr Rod Morgan attended three meetings each.

The members of VOAB, with the exception of VLA representatives are either Defra employees, which bears their direct costs, or non-Defra external members and Defra pays expenses for their attendance at the meetings.

Appointment of VLA's Chief Executive is by open competition. The appointment is fixed term for three years with the possibility of a two-year extension or permanency. Prof S. Peter Borriello was appointed to this post in October 2008.

The Chief Executive is a member of the Senior Civil Service and his remuneration is based on SCS salary scales. He is also entitled to a bonus based on achievement of the Agency's targets which is subject to external validation by Defra's Internal Audit Division which undertakes a full audit.

The Chief Executives' gross cost of employment in 2009-10 and 2008-09 (including superannuation benefit, employer's NI contributions, bonus and a taxable allowance) above as follows:-

	2009-10	2008-09
	£	£
Prof S. Peter Borriello	168,262	78,520
Prof Steve Edwards	-	28,524
Chris Morrey	-	32,730

Prof S. Peter Borriello is a member of the Nuvos Pension Scheme.

There were no loans to senior staff members during the year (2008-09, nil).

In addition to the above, Prof John Preston (external management board member) was paid a total of £6082 for his services and expenses (2008-09, £8110).

Civil Service Pensions
Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a 'final salary' scheme (**classic**, **premium** or **classic plus**); or a 'whole career' scheme (**nuvos**). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus** and **nuvos** are increased annually in line with changes in the Retail Prices Index (RPI). Members who joined from October 2002 could opt for either the appropriate defined benefit arrangement or a good quality 'money purchase' stakeholder pension with a significant employer contribution (**partnership** pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for **classic** and 3.5% for **premium**, **classic plus** and **nuvos**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and, immediately after the scheme year end, the accrued pension is uprated in line with RPI. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

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

The accrued pension quoted, is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus** and 65 for members of **nuvos**.

Further details about the Civil Service pension arrangements can be found at the website www.civilservice-pensions.gov.uk.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The figures at 31 March 2009 may be different to the closing figures in last year's accounts. This is due to the CETV factors being updated to comply with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008.

Real Increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Professor S. Peter Borriello
Chief Executive and Agency Accounting Officer 24 May 2010

STATEMENT OF AGENCY'S AND CHIEF EXECUTIVE'S RESPONSIBILITIES

Under section 7(2) of the Government Resources and Accounts Act 2000, HM Treasury has directed VLA to prepare, for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of VLA and of its income and expenditure and cash flows for the financial year.

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

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

The Accounting Officer of Defra has designated the Chief Executive of VLA as the Accounting Officer of VLA. The responsibilities of an Accounting Officer, as set out in chapter 3 of 'Managing Public Money' issued by HM Treasury, include:

- the propriety and regularity of the public finances for which the Accounting Officer is answerable,
- keeping proper records, and
- safeguarding VLA's assets.

STATEMENT ON INTERNAL CONTROL

Scope of Responsibility
As Accounting Officer, I am responsible for maintaining a sound system of internal control that supports the achievement of VLA's policies, aims and objectives, set by the Department's Ministers, while safeguarding the public funds and departmental assets, for which I am personally responsible. This is in line with the responsibilities assigned to me in HM Treasury's 'Managing Public Money'.

I ensure that the VLA Corporate Owner is aware of the main risks managed by VLA by regular reporting to the VLA Owners Advisory Board (VOAB). Additionally, I ensure that VLA's business plans, which are submitted to and approved by Ministers, include sections on risk.

I am accountable to the Department's Principal Accounting Officer for enabling her to discharge her overall responsibility in respect of ensuring that VLA, as part of Defra, has adequate financial systems and procedures in place.

Purpose of the System of Internal Control
The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable, and not absolute, assurance of effectiveness.

Internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of VLA's aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

I have been assured that the system of internal control has been in place at VLA for the year ended 31 March 2010 and up to the date of approval of the Annual Report and Accounts. This is line with HM Treasury guidance.

Capacity to Handle Risk
Risk management is recognised as the main internal control. A member of the Directorate, the Business Director, is responsible for the framework for effective risk management in VLA.

Regular reports are made to VLA's Management Board, the Directorate, VOAB and to the Audit & Risk Committee (A&RC) which assesses the effectiveness of the processes. The Risk Management Steering Group, a sub-committee of the ARC, is in place to ensure a consistent approach is followed, provide further challenge and to give guidance on any issues arising from the risk registers. A further sub-group looks specifically at the risk of fraud.

Guidance for staff on risk is available in the VLA Risk Management Strategy document and this, together with further information on risk, is available on VLA's intranet.

An independent view on the VLA's risk management maturity was undertaken by the Internal Audit provider who rated it as Risk Defined

As part of the review of the risk management strategy we have revised the format of our corporate risk register to delineate between the short and medium term risks facing the business. This format will be rolled out across all risk registers during 2010. To provide better administration of the Risk Management process we have evaluated and will be implementing in 2010 a software package, 4Risk, to automate procedures and provide better management information.

The Risk and Control Framework

The management structure and accountability of the VLA Board and Executive (Directorate) is detailed on page 4. A register of the Directors (Directorate in this instance) is maintained and reviewed annually.

The A&RC, chaired by an external member, provides support to management on Internal Control. Representatives from Internal and External Audit attend the A&RC to present and receive reports on risk and controls within VLA. In addition, Internal Audit gives an opinion on the control, risk and governance environment. As a result of their audit work in 2009-10, Internal Audit has provided a positive opinion regarding the adequacy and effectiveness of VLA's arrangements for governance, risk and control.

The Committee's terms of reference and minutes of meetings are available to staff on the intranet.

The risk management strategy has been reviewed by the Risk Management sub-committee and a number of changes have been agreed by the Directorate and the ARC. At the present time the document is in the process of being updated.

The main processes in place for identifying, evaluating and managing risk are:

- Corporate and Divisional risk registers owned by members of the Directorate.
- Risk is an open standing agenda item at divisional management and team meetings.
- Each quarter, a formal review of the VLA Risk Register is undertaken by the risk owners and discussed at the Directorate performance meeting where the register is updated.
- Each quarter, the divisional directors review their risk register, update accordingly and publish it on the intranet.
- There is an opportunity each month at the regular Directorate meetings to discuss any new and emerging risks.
- At each meeting the A&RC receives a report from the director responsible for risk management providing an update on changes made to the risk register and a report on the activities of the Risk Management Steering Group and the Fraud risk sub-group.
- At VOAB a regular report is produced on the control environment and the governance arrangements on risk. This is produced by the Business Director with independent opinion provided by the chair of the A&RC who is a member of VOAB. The chair of the A&RC is required to provide an annual report on the committee's activities and raise any concerns on Internal Control with the Corporate Owner.
- At a specific meeting each year, VOAB reviews the top risks identified by the VLA.

The top risk priorities currently identified are in the areas of achieving a balanced budget, business continuity planning and the new sustainable workplace management arrangements.

Our management of risk is embedded in planning and delivery by ensuring that:

- Directors promote risk management at team meetings.
- Risk management is included in the Induction Course for new entrants.
- The risk management strategy, framework and risk registers are available on the intranet.

- Risk is an accepted principle and requirement for major capital investment, strategic plans and projects.
- Objective setting is linked to risk and risk owners have personal objectives to manage their risk area.

Review of Effectiveness
As Accounting Officer, I am responsible for reviewing the effectiveness of our system of internal control. This is informed by the work of the internal auditors and the directors responsible for the development and maintenance of the internal control framework. Comments made by the external auditors in their management letter and other reports are also considered.

The following processes to maintain internal control are in place:

- The Directorate meets monthly to consider operational performance, and then quarterly to focus on strategic and medium term issues affecting the direction of VLA compared to its plan.
- Progress on achievement of the ministerial targets is reported to the VOAB and for delivery specific targets to the Customer Board. The Chief Executive reports to the Chief Veterinary Officer and regular meetings are held during the year to discuss VLA's progress against its objectives.
- A balanced scorecard is the main internal measurement of performance and is operated in conjunction with the risk register. It is operated at Corporate and Divisional level forming the basis for work objective setting and is cascaded throughout VLA.
- The Audit & Risk Committee meets at least three times a year to consider the effectiveness of VLA's response to audit reports and its risk management framework. The Chairman of this committee also provides an independent opinion to VOAB.
- Risk management is a scorecard objective for the Business Director who is the nominated Risk Co-ordinator.
- All risks identified in the corporate and divisional risk registers have risk owners who are responsible for control and mitigation.
- To ensure that the risk of fraud is properly managed, there is a Fraud Management Policy together with a specific fraud risk register. A small team, chaired by the Business Director, manages and reviews the process.
- RSM Tenon, an independent company which operates to Government internal audit standards, provides internal audit services. Each year, the A&RC approve an audit strategy for the coming year, together with the Annual Plan. They submit regular reports which include an independent opinion on the adequacy and effectiveness of our system of internal control with recommendations for improvement.

During the year, ISO 9001 certification was maintained across the whole range of our activities which provides further assurance on our business processes in operation.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Directorate and the A&RC.

Significant Internal Control Issues
There are no significant internal control issues to report.

Professor S. Peter Borriello
Chief Executive and Agency Accounting Officer 24 May 2010

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS

I certify that I have audited the financial statements of the Veterinary Laboratories Agency for the year ended 31 March 2010 under the Government Resources and Accounts Act 2000. These comprise the Operating Cost Statement, the Statement of Changes in Taxpayers' Equity, the Statement of Financial Position, the Statement of Cash Flows 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 Chief Executive and auditor

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

Scope of the audit of the financial statements

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

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

Opinion on Regularity

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

Opinion on the financial statements

In my opinion:

- the financial statements give a true and fair view, of the state of the Agency's affairs as at 31 March 2010, and of the net operating cost, changes in taxpayers' equity and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on other matters
In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in the "Director's Report" and the "Management Commentary", included within the Annual Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

Report
I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General
National Audit Office
151-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

27 May 2010

OPERATING COST STATEMENT
FOR THE YEAR ENDED 31 MARCH 2010

				2009-10	2008-09
	Notes			£000	£000
		Staff Costs	Other Costs	Income	
Administration costs:					
Staff costs	4	42,569			41,990
Other administrative costs	5		87,021		69,736
Operating income	6			(107,650)	(104,609)
EU Income	6			(1,999)	(1,415)
Totals		42,569	87,021	(109,649)	(106,024)
Net operating cost				19,941	5,702

All activities arise from continuing operations.

The notes on pages 25 to 43 form part of these accounts.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2010

	Notes	31 March 2010 £000	31 March 2009 (restated) £000	1 April 2008 (restated) £000
Non-current assets				
Property, plant and equipment	7	223,476	274,403	290,391
Total non-current assets		223,476	274,403	290,391
Current assets				
Inventories	10	4,625	4,318	3,308
Trade and other receivables	11	4,697	5,623	6,270
Cash and cash equivalents	12	909	697	768
Total current assets		10,231	10,638	10,346
Total assets		233,707	285,041	300,737
Current liabilities				
Trade and other payables	13	(22,343)	(20,800)	(29,341)
Total current liabilities		(22,343)	(20,800)	(29,341)
Non-current assets less current liabilities		211,364	264,241	271,396
Non-current liabilities				
Provisions	14	(147)	(234)	(328)
Assets less liabilities		211,217	264,007	271,068
Taxpayers' equity				
General fund		177,571	191,817	184,731
Revaluation reserve		33,646	72,190	86,337
Total taxpayers' equity		211,217	264,007	271,068

The notes on pages 25 to 43 form part of these accounts.

Professor S. Peter Borriello
Chief Executive and Agency Accounting Officer 24 May 2010

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2009-10 £000	2008-09 £000
Cash flows from operating activities			
Net operating cost		(19,941)	(5,702)
Adjustments for non-cash transactions	5		
Cost of capital		8,294	9,338
Establishment costs		16,752	-
Impairment & Revaluation		22,065	4,572
Depreciation		12,598	12,817
Notional costs		(119)	(37)
Loss on disposal of fixed assets		16	39
Decrease in trade and other receivables		926	647
(Increase) in inventories		(307)	(1,010)
Increase/(Decrease) in trade payables		1,559	(8,524)
Use of provisions	14	(153)	(235)
Net cash inflow from operating activities		41,690	11,905
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(14,625)	(11,488)
Proceeds of disposal of property, plant and equipment		147	12
Net cash outflow from investing activities		(14,478)	(11,476)
Cash flows from financing activities			
Cash paid to Defra		(27,000)	(500)
Net financing		(27,000)	(500)
Net increase/(decrease) in cash and cash equivalents in the period		212	(71)
Cash and cash equivalents at the beginning of the period	12	697	768
Cash and cash equivalents at the end of the period	12	909	697

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
FOR THE YEAR ENDED 31 MARCH 2010

	Notes	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Balance at 31 March 2008		184,731	86,337	271,068
Changes in taxpayers' equity 2008-09				
Deficit for year		(5,702)	-	(5,702)
Property income		(232)	-	(232)
Net (loss) on revaluation of property, plant and equipment		-	(10,036)	(10,036)
Non-cash charges – cost of capital	5	9,338	-	9,338
Non-cash charges – auditor's remuneration	5	71	-	71
Transfers between reserves		4,111	(4,111)	-
Total recognised income and expenses for 2008-09		192,317	72,190	264,507
Funding from Parent		(500)	-	(500)
Balance at 31 March 2009		191,817	72,190	264,007
Changes in taxpayers' equity 2009-10				
Deficit for year		(19,941)	-	(19,941)
Assets transferred from Defra	7	2,384	-	2,384
Property income		(237)	-	(237)
Professional revaluation in year		-	(34,690)	(34,690)
Net surplus on revaluation of property, plant and equipment		-	1,580	1,580
Non-cash charges – cost of capital		8,294	-	8,294
Non-cash charges – auditor's remuneration		68	-	68
Establishment costs		16,752	-	16,752
Transfers between reserves		5,434	(5,434)	-
Total recognised income and expenses for 2009-10		204,571	33,646	238,217
Funding from Parent		(27,000)	-	(27,000)
Balance at 31 March 2010		177,571	33,646	211,217

The purpose of the revaluation reserve is to hold movements in value for the VLA's assets. If assets are revalued upwards this reserve increases, if assets are revalued downwards this reserve is charged with the decrease to the extent of previous upward revaluations.

The purpose of the general reserve is to reflect all other funding to the VLA in respect of the cost of obtaining premises and the net cost of running the Agency for each financial year.

NOTES TO THE ACCOUNTS

1. Statement of Accounting Policies

The accounts have been prepared in accordance with the 2009-10 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained within the FReM apply International Financial Reporting Standards as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, a judgement has been made to select the most appropriate policy to suit the particular circumstances of VLA for the purpose of giving relevant and reliable information to the reader. VLA's accounting policies have been applied using estimates and assumptions that affect the application of policies, based on historical experiences and other factors that are believed to be reasonable under the circumstances. They have been applied consistently in dealing with items which are considered material in relation to the Accounts.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period. They are made in the period of revision and future periods, if the revision affects both current and future periods.

(a) **Accounting convention**

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of non-current tangible assets, intangible assets, assets available for resale, other financial assets, as well as work in progress and inventories, where material.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and amounts reported for income and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

In the process of applying the Agency's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Project accruals and deferred Income
The Agency is responsible for managing scientific project progress, income received and expenditure incurred on each project. Projects may span across more than one financial year and the preparation of the financial statements requires the Agency to determine, based on an evaluation of the terms and conditions of the arrangements, that it fully and accurately reflects the completeness of any accruals or deferred income in this regard by reference to stage of completion of any ongoing projects.

Indexation of non-current assets
The Agency restates the non-current assets at current cost each year as stated in note 1(c) below. Depreciation of the assets is spread across the deemed useful economic life, which also requires the use of judgement.

(b) **Administration and programme expenditure**

The Operating Cost Statement is required to be analysed between administration and programme Income and expenditure. As the VLA has no programme expenditure all income and costs relate to Administration.

(c) **Tangible non-current assets**

Title to the freehold land and buildings shown in the accounts is held as follows:

(i) All freehold land and buildings comprising the farms attaching to the main laboratory site at Weybridge are held in the name of the Secretary of State for Environment, Food and Rural Affairs;

(ii) All freehold land and buildings at the main laboratory site at Weybridge and at any of the Regional Laboratories are Civil Estate property.

Freehold land and buildings are stated at fair value and are professionally revalued at least every 5 years at existing use value, in accordance with guidance issued by the Royal Institute of Chartered Surveyors, the last revaluation having taken place in 2010. Properties are revised annually by means of a desk top review undertaken by DTZ Debenham Tie Leung Limited, where every valuation is reviewed having regard to local and national indices and local knowledge. Non property tangible assets have been stated at fair value using appropriate indices, where material.

The minimum level for capitalisation of a tangible asset is £2000.

(d) **Depreciation**

Depreciation is charged over the useful life of assets to ensure their value, less residual value, is written off over their useful life. The residual value is the carrying amount of the asset which is expected to be realised on disposal. Depreciation is not charged on freehold land and assets under the course of construction. Each component of an asset with a value deemed material to the total fair value of the asset is capitalised and depreciated separately. Components no longer to be used are derecognised. Under the requirements of international accounting standards, useful lives, component values and residual values are reviewed annually. Asset lives are normally in the following ranges.

Buildings and roads	5 to 60 years
Plant and machinery	5 to 10 years
Laboratory equipment	5 to 10 years
Computers	3 to 10 years
Farm vehicles, cars	5 to 15 years

(e) **Impairment**

The carrying amounts of VLA's tangible assets are reviewed at each balance sheet date to establish whether there are any indications of impairment. If such indications are evident, the estimated recoverable amount of the assets is compared to their carrying amount. If the carrying amount exceeds the recoverable amount, an impairment loss is immediately recognised. The recoverable amount is the greater of the fair value, less costs to sell, and the value in use. The value in use is an estimate of the future cash flow benefits of the asset, discounted by a rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(f) Work in progress and inventories

Work in progress represents costs incurred on specific projects, including direct materials and labour, plus attributable overheads less provision for known or expected losses as soon as foreseen. Due to the nature of work in progress, commercial and European Union income is not recognised until customers are invoiced. Inventories are stated at the lower of cost, or net current replacement cost where materially different, and net realisable value.

(g) Capital charge

A charge, reflecting the cost of capital utilised by the Agency, is included in the operating cost statement. The charge is calculated at the real rate set by HM Treasury, currently 3.5% (2008-09, 3.5%) on the average carrying amount on all assets less liabilities, except for cash at bank and in hand.

(h) Intangible non-current assets

The Agency's expenditure on research activities is written off to the operating cost statement as incurred, due to the inherent uncertainty surrounding the economic benefit resulting from it. Capitalisation of development costs is contingent on fulfilment of all of the following criteria:

- the technical feasibility of completing the intangible asset so that it will be available for use or resale;
- the ability to use or sell the asset;
- the probability of future economic benefits or service potential flowing to the Agency from use or sale of the intangible asset;
- the availability of technical, financial and other resources to complete the development and to use or sell the asset and
- the ability to measure the expenditure attributable to the intangible asset during its development.

Amortisation commences when the developed asset is brought fully into use, and is based on a systematic allocation over the period during which the Agency is expected to benefit from the use of the intangible asset. Asset lives would be typically in the range of 2 to 10 years.

(i) Operating income

Operating income represents the value of goods and services provided by the Agency during the year. Where income is in respect of work carried out on long term scientific projects, it is based on activities carried out during the year. Income received in excess of these activities is carried forward as payments in advance unless the project is complete. Where the level of activities carried out exceeds income, it is carried forward as a debtor to the extent that it is deemed recoverable.

(j) Value added tax

Most of the activities of the Agency are outside the scope of VAT and in general output tax does not apply and input tax on services is not recoverable. Some recoveries of tax do take place under the contracted out services provisions applicable to Government bodies. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged, or input tax is recoverable, the amounts are stated net of VAT.

(k) **Research and development**

Research and development expenditure is written off as incurred.

(l) **Notional charges**

The costs of the following services are included in the operating cost statement on a notional basis: establishment costs, audit fees and interest on net assets excluding cash at bank and in hand.

(m) **Pensions**

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme, which are described in the Remuneration Report and at note 4. The defined benefit elements of the schemes are unfunded and are non-contributory except in respect of dependents' benefits. VLA recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services, by payment to the Principal Civil Service Pension Scheme (PCSPS) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution elements of the schemes, VLA recognises the contributions payable for the year.

(n) **Early departure costs**

VLA is required to meet the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire early. VLA provides in full for this cost when the early retirement programme has been announced and is binding upon the Agency.

(o) **Other employee benefits**

VLA recognises a liability and expense for all other employee benefits including unused annual leave, accrued at the balance sheet date, provided these amounts are material in the context of the overall staff costs. No other material employee benefits were accrued at the balance sheet date.

(p) **Foreign currency translation**

Assets and liabilities in foreign currencies are translated into sterling using the rate of exchange at the balance sheet date, or where appropriate, the rate of exchange fixed under the terms of the relevant transaction. Transactions in foreign currencies are translated into sterling using the rate at the date of the transaction. Differences on translation are written off to the operating cost statement.

(q) **Leases**

A finance lease is one which transfers substantially all of the risks and rewards of ownership to the lessee. If a leasing arrangement is in force for a substantial period of the useful expected life of the asset, then the lessee is assumed to carry all of the risk. An operating lease is a lease other than a finance lease.

The determination of whether an arrangement is, or contains a lease, is based on the substance of that arrangement. This assessment is based on whether the arrangement is dependent on the use of a specific asset and conveys the right to use the asset.

Both the asset value and liability to pay future rentals under a finance lease are discounted at the interest rate implicit in the lease to derive the present value. Assets obtained under a finance lease are revalued and depreciated over the shorter of the lease term or expected useful life. VLA does not have any material finance lease commitments.

All payments under operating leases are charged to the Operating Cost Statement as they are incurred.

(r) **Financial assets**

These comprise receivables which are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are carried in the balance sheet at cost less appropriate provisions for doubtful receipts.

(s) **Financial liabilities**

These comprise trade and other payables and other financial liabilities. They are initially recognised at fair value of consideration received less directly attributable transaction costs. They are subsequently measured at amortised cost.

(t) **Provisions**

VLA provides for obligations arising from past events where the Agency has a present obligation at the balance sheet date, and where it is probable that it will be required to settle the obligation and a reliable estimate can be made. Where material, future costs have been discounted using the pensions discount rate of 1.8%.

(u) **Derivative financial instruments and hedging**

The Agency does not use derivative instruments such as interest rate swaps or any other hedging facilities.

2. First-time Adoption of IFRS

	General Fund £000	Revaluation reserve £000
Taxpayers’ equity at 31 March 2008 under UK GAAP	184,117	88,409
Adjustments for:		
IAS 36 Move impairments to revaluation reserve	2,072	(2,072)
IAS 19 Employee Benefits – Annual Leave Accrual	(1,458)	-
Taxpayers’ equity at 1 April 2008 under IFRS	184,731	86,337

	£000
Net operating cost for 2007-08 under UK GAAP and IFRS	235

The IAS 36 movement between reserves is for the change in accounting policy between UK GAAP and IFRS requiring impairment of assets to first go to the revaluation reserve in respect of previous upward revaluations, and then to the OCS. Previous impairments have been taken directly to the OCS.

The IAS 19 Employee benefits annual leave accrual is a new IFRS requirement for the value of untaken annual leave and other benefits at the end of the financial year to be reflected as a cost in the financial statements.

Disclosure of IFRSs in issue not yet effective
The Agency has reviewed the IFRSs in issue but not yet effective, to determine if it needs to make any disclosures in respect of those new IFRSs that are or will be applicable. References to 'new IFRSs' includes new Interpretations and any new amendments to IFRSs and Interpretations. It has been determined the following new IFRSs are relevant to the Agency but will have no significant impact on the Agency's financial statements.

Amendments to IFRSs

- IAS 24 Related Party Disclosures

Amendments to IFRSs resulting from Annual Improvements to IFRSs (May 2008 and April 2009)

- IAS 7 Statement of Cash Flows
- IAS 17 Leases

Major FReM changes for 2010-11

The Agency has reviewed the major FReM changes for 2010-11 and determined the following will have no significant impact on the Agency's financial statements.

- Chapter 8 Impairments

The Agency has identified the following accounting change as significant.

- Chapter 11 Income and Expenditure. The removal of Cost of Capital charging from the accounts. From 1 April 2010 notional costs should not be recorded for cost of capital. Cost of Capital charging will be excluded from the Agency's accounts. The initial application will have an impact of approximately £7,400,000 on both the Agency’s income and expenditure for 2010-11.

3. Key Performance Target

Within the prescribed 2% tolerance level the Agency is required to recover its full economic costs through charges for services it provides to Defra and other public and private sector customers. For the purpose of assessing performance against this target, full economic costs exclude the costs of early retirement and other items outside the VLA's control, but include an assessment of notional insurance premiums.

The target has been achieved in 2009-10 as shown by the table below:

	2009-10 £'000	2008-09 £'000
Income	109,649	106,024
Expenditure	129,590	111,726
(Deficit) for the year before agreed adjustments	(19,941)	(5,702)
Add early retirement costs (note 5)	50	124
Add: exceptional costs arising from compensation claims	7	14
Add: indexation decrease recognised in Operating Cost Statement	21,990	2,837
Add: impairment of fixed assets	75	1,731
Less: notional insurance premium	(232)	(276)
Surplus/(Deficit) for the year after adjustments	1,949	(1,272)

The notional insurance premium has not been included in the operating cost statement but is included above for cost recovery purposes as permitted by the Treasury Fees and Charges Guide. During 2008-09 it was agreed that impairment of fixed assets is an item outside of VLA's control.

4. Staff Numbers and Related Costs

Staff costs comprise

	2009-10 £000 Total	£000 Permanently employed staff	£000 Others	2008-09 £000 Total
Wages and salaries	34,110	33,108	1,002	33,454
Social security costs	2,426	2,426	-	2,385
Other pension costs	6,033	6,033	-	6,151
Total net costs	42,569	41,567	1,002	41,990

The charge for wages and salaries includes the movement for the year in the annual leave accrual.

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but VLA is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2007.

Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2009-10, employers' contributions of £5,922,000 were payable to the PCSPS (2008-09, £6,045,000) at one of four rates in the range 16.7% to 24.3 per cent (2008-09, 17.1 to 26.5 per cent) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates changed with effect from 1 April 2009. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £103,000 (2008-09, £99,000) were paid to a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3 to 12.5 per cent (2008-09, 3.0 to 12.5 per cent) of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions of £8,000 (0.8 per cent; 2008-09, £7,000, 0.8 per cent) of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. There were no contributions due to the partnership pension providers at the reporting period date or contributions prepaid.

Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows.

	2009-10			2008-09
	Total	Permanent staff	Others	Total
Directly Employed	1215	1215	-	1210
Other	16	-	16	25
Total	1,231	1215	16	1235

5. Other Administrative Costs

	Note	2009-10 £000	2008-09 £000
Consumable supplies		13,655	12,706
Accommodation and Utilities		16,210	16,760
Site services		8,206	9,631
Personnel Costs		1,551	1,474
Travel and Subsistence		1,098	938
Defra Overheads		411	1,170
Rentals under operating leases		336	328
Site demolition and clearance		2,700	-
Depreciation		12,598	12,817
Impairment and revaluation		22,065	4,572
Loss on disposal of property, plant and equipment		16	39
Cost of Capital charges		8,294	9,338
Auditors' remuneration and expenses (notional)		68	71
Property Income (notional)		(237)	(232)
Early Retirement Provision	14	50	124
Total		87,021	69,736

Within the Operating Cost Statement the full cost of property occupation is reflected in relation to buildings that are either owned or leased by Defra or specialised properties held on the Agencies' Statement of Financial Position. The costs are proportionate to occupation and include rates, utilities, management overheads, facilities management and associated capital charges. For Defra leasehold properties this also includes rental costs. There are no rental costs for Defra freehold properties.

The notional audit fee includes the National Audit Office's audit fee of £63,000 for the audit of the 2009-10 financial statements (2008-09, £61,000), and an audit fee of £5,200 for the audit of the Agency's IFRS Trigger Point 4 submission to HM Treasury (2008-09, £10,000 for the audit of the Agency's IFRS Trigger Point 1 submission to HM Treasury). No remuneration was paid to the auditors for non-audit work.

6. Income

		2009-10 £000 Total	2008-09 £000 Total
Defra	Disease Surveillance	35,109	37,538
	Contribution to Running Costs	39,188	37,047
	Research & Development	17,831	17,211
	Diagnostic Testing	15	291
	Business Services	3,557	2,125
	Other	29	43
		95,729	94,255
Other UK Government	Research & Development	1,789	1,059
	Disease Surveillance	985	1,072
	Diagnostic Testing	265	338
	Other	68	114
		3,107	2,583
UK Commercial	Diagnostic Testing	4,037	3,716
	Research & Development	2,088	1,719
	Scientific Products	352	343
	Other	105	130
		6,582	5,908
Overseas Commercial	Research & Development	836	559
	EU Research	1,151	667
	EU Community Reference Labs	848	748
	Scientific Products	540	456
	Diagnostic Testing	440	378
	Other	416	470
		4,231	3,278
Total		109,649	106,024

7. Property, Plant and Equipment

	Land	Buildings	Information Technology	Vehicles, Fittings, Plant & Machinery	Lab Equipment	Payments on Account & Assets under Construction	TOTAL
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation							
At 1 April 2009	38,861	271,484	1,830	3,916	26,894	1,999	344,984
Additions	-	1,323	163	1,050	1,965	12,508	17,009
Reclassifications	-	1,379	-	995	-	(2,374)	-
Disposals	-	(2,269)	(20)	(149)	(1,485)	-	(3,923)
Professional revaluation in year	(21,601)	(84,055)	-	-	-	-	(105,656)
Indexation	-	(3,004)	291	63	705	-	(1,945)
At 31 March 2010	17,260	184,858	2,264	5,875	28,079	12,133	250,469
Depreciation							
At 1 April 2009	12	47,708	1,776	1,836	19,249	-	70,581
Provided in year	5	10,695	82	279	1,537	-	12,598
Reclassification	-	(99)	-	99	-	-	-
Disposals	-	(2,269)	(20)	(51)	(1,420)	-	(3,760)
Professional revaluation in year	(17)	(48,959)	-	-	-	-	(48,976)
Indexation	-	(4,334)	262	37	510	-	(3,525)
Impairment	-	75	-	-	-	-	75
At 31 March 2010	-	2,817	2,100	2,200	19,876	-	26,993
Net book value							
At 31 March 2009	38,849	223,776	54	2,080	7,645	1,999	274,403
At 31 March 2010	17,260	182,041	164	3,675	8,203	12,133	223,476
Asset Financing							
Owned and operating lease at 31 March 2010	17,260	182,041	164	3,675	8,203	12,133	223,476

DTZ Debenham Tie Leung Limited undertook the last formal professional valuation of land and buildings during the year ended 31 March 2010 with an effective date of 1 April 2010. The valuation reduced the values of land and buildings by £56,680,000 which is reflected in the above values as at 31 March 2010. £34,690,000 of the reduction has been charged to the Revaluation Reserve and £21,990,000 to be Operating Cost Statement.

The current year impairments arise in respect of future demolition of buildings.

	Land	Buildings	Information Technology	Vehicles, Fittings, Plant & Machinery	Lab Equipment	Payments on Account & Assets under Construction	TOTAL
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation							
At 1 April 2008	37,056	250,542	2,641	2,166	27,500	31,998	351,903
Additions	-	-	29	185	1,758	9,516	11,488
Transfers	-	33,694	-	1,515	-	(35,209)	-
Disposals	-	(519)	(758)	(55)	(2,519)	(4,306)	(8,157)
Revaluations	1,805	(12,233)	(82)	105	155	-	(10,250)
At 31 March 2009	38,861	271,484	1,830	3,916	26,894	1,999	344,984
Depreciation							
At 1 April 2008	8	34,237	2,511	1,563	20,154	3,040	61,512
Provided in year	4	10,996	101	260	1,455	-	12,817
Disposals	-	(519)	(758)	(49)	(2,474)	(4,306)	(8,106)
Impairments	-	1,027	-	-	-	1,266	2,293
Revaluations	-	1,967	(78)	62	114	-	2,065
At 31 March 2009	12	47,708	1,776	1,836	19,249	-	70,581
Net book value							
At 31 March 2009	38,849	223,776	54	2,080	7,645	1,999	274,403
At 31 March 2008	37,047	216,308	130	603	7,346	28,958	290,391
Asset financing							
Owned and operating lease at 31 March 2009	38,849	223,776	54	2,080	7,645	1,999	274,403

8. Financial Instruments

As the cash requirements of the Veterinary Laboratories Agency are met through the Estimate process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Agency's expected purchase and usage requirements and the Agency is therefore exposed to little credit, liquidity or market risk.

Financial assets by category

Loans and receivables	2009-10 £000	2008-09 £000
Cash	909	697
Trade debtors	1,756	1,752
Other debtors	2,216	3,265
	4,881	5,714

The above figures exclude statutory debtors which relate to VAT due from HM Revenue and Customs.

None of the financial assets have been subject to impairment.

An analysis of the ageing of the non impaired trade debtors is shown below:-

	0-30 days £000	30-60 days £000	Over 60 days £000	Total £000
As at 31 March 2010	1,128	356	272	1,756
As at 31 March 2009	1,212	148	392	1,752

Financial liabilities by category

Financial liabilities	2009-10 £000	2008-09 £000
Trade creditors	978	608
Accruals	20,197	19,799
	21,175	20,007

The above figures exclude statutory creditors which relate to tax and social security due to HM Revenue and Customs. All financial liabilities are payable within one year.

Credit risk

The Agency's principal financial assets are bank balances and trade and other receivables. These represent VLA's maximum exposure to credit risk in relation to financial assets. The credit risk is primarily attributable to its trade receivables. The amounts presented in the Balance Sheet are net of provisions for doubtful receivables estimated by the Agency's management based on prior experience and their assessment of current economic value.

Set out below is the movement in the provision for bad and doubtful debts relating to the Agency's trade receivables.

	2009-10 £000	2008-09 £000
Provision at 1 April 2009	50	38
Charges to Operating Cost Statement	47	37
Provision Used	(7)	(25)
Balance at 31 March 2010	90	50

Hedging

The Agency does not involve itself in any hedging transactions.

9. Impairments

Impairments have arisen in respect of future demolition of buildings and preparatory works in connection with assets under construction amounting to £75k (2008-09, £2,293k).

The impact of the professional valuation of land and buildings as at 1 April 2010 is explained in note 7.

In 2008-09 the Valuation Office Agency projected negative indexation for 2009-10 in respect of some land and buildings. The total reduction in value, which was reflected in the 2008-09 annual accounts was £26,976k of which £24,043k was charged to the Revaluation Reserve and £2,933k to the Operating Cost Statement.

10. Inventories

	2009-10 £000	2008-09 £000	2007-08 £000
Work in progress	2,810	2,481	1,712
Raw materials and consumables (scientific supplies)	680	733	814
Finished goods and goods for resale (products and media)	1,135	1,104	782
	4,625	4,318	3,308

11. Trade and Other Receivables

	2009-10 £000	2008-09 £000	2007-08 £000
Amounts falling due within one year:			
Trade receivables	1,756	1,752	2,125
VAT	-	13	93
Prepayments and accrued income	1,787	2,073	1,973
Defra and Defra Agencies	699	1,381	1,795
Other Government	455	404	284
	4,697	5,623	6,270

There are no amounts owing from local authorities, NHS Trusts, public corporations or trading funds (2008-09 and 2007-08, nil).

12. Cash and Cash Equivalents

	2009-10 £000	2008-09 £000
Balance at 1 April	697	768
Net change in cash and cash equivalent balances	212	(71)
Balance at 31 March	909	697
The following balances at 31 March were held at:		
Office of HM Paymaster General	909	697
Balance at 31 March	909	697

13. Trade and Other Payables

	2009-10 £000	2008-09 £000	2007-08 £000
Amounts falling due within one year			
Other taxation and social security	767	793	790
Trade payables	985	609	1,445
Defra payables	6,488	6,567	12,235
Other Government payables	-	86	-
Staff and superannuation	577	610	600
Accruals and deferred income	13,429	12,135	14,271
VAT	97	-	-
	22,343	20,800	29,341

There are no amounts owing to local authorities, NHS Trusts, public corporations or trading funds (2008-09 and 2007-08, nil).

14. Provisions

	Early departure costs £000
Balance at 1 April 2009	377
Provided in the year	50
Provisions not required written back	-
Provisions utilised in the year	(153)
Unwinding of discount	-
Balance at 31 March 2010	274

Analysis of expected timing of discounted flows	Early departure costs £000
In the remainder of the spending review period (to 2011)	127
Between 2012 and 2016	147
Between 2017 and 2021	-
Thereafter	-
Balance at 31 March 2010	274

£147k of the above provision is payable in more than one year (2008-09, £234k).

The Agency meets the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire early by paying the required amounts annually to the PCSPS over the period between early departure and normal retirement date. The agency provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments discounted by the pensions discount rate of 1.8 per cent in real terms.

15. Capital Commitments

	2009-10 £000	2008-09 £000
Property, plant and equipment	2,852	Nil

16. Other Financial Commitments

Defra has entered into non-cancellable contracts on behalf of VLA for the provision of property facilities maintenance in respect of the Veterinary Laboratories Agency's occupation of buildings that are either owned or leased by Defra or specialised properties held on the Agency's Statement of Financial Position. The payments to which VLA is committed during 2009-10, analysed by the period during which the commitment expires are as follows:

	2009-10	2008-09
	£000	£000
Not later than 1 year	80	-
Later than 10 years but not later than 15 years	7,447	9,020
	7,527	9,020

17. Commitments Under Leases

Operating leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	2010	2009
	£000	£000
Buildings		
Not later than 1 year	169	148
Later than 1 year but not later than 5 years	375	503
Later than 6 years but not later than 10 years	134	134
Later than 11 years but not later than 15 years	135	135
Later than 16 years but not later than 20 years	133	134
Later than 21 years but not later than 25 years	102	108
Later than 25 years	21	41
	1069	1203
Land		
Not later than 1 year	50	25
Later than 1 year but not later than 5 years	89	70
Later than 6 years but not later than 10 years	88	88
Later than 11 years but not later than 15 years	88	88
Later than 16 years but not later than 20 years	88	88
Later than 21 years but not later than 25 years	87	87
Later than 25 years	74	91
	564	536

Other		
Not later than 1 year	27	31
Later than 1 year but not later than 5 years	10	27
	37	58

Within the operating leases commitment for buildings and land, disclosure of the costs relate to the proportion of the occupation of Defra leasehold properties. These arrangements between the Veterinary Laboratories Agency and Defra reflect a future commitment to reimburse Defra for the underlying rentals paid to landlords for the provision of leasehold accommodation.

18. Contingent Liabilities

There were no contingent liabilities at 31 March 2010 (31 March 2009, nil)

19. Related-party Transactions

(a) Veterinary Laboratories Agency (VLA) is an Executive Agency of the Department for Environment, Food and Rural Affairs (Defra).

Defra is regarded as a related party. During the year VLA has had a significant number of material transactions with Defra and with other entities for which Defra is regarded as the parent Department. These are:

- Veterinary Medicines Directorate,
- Animal Health
- The Food Environment Research Agency (FERA)

In addition, the Agency has had a small number of transactions with other Government departments and other central Government bodies, the most significant of which is the Food Standards Agency.

(b) No Board Members, members of the key management staff or other related parties have undertaken any material transactions with VLA during the year.

20. Segmental Analysis

An analysis of income from services provided to customers is as follows:

	Income 2009-10 £000	Surplus/ (Deficit) 2009-10 £000	Income 2008-09 £000	Surplus/ (Deficit) 2008-09 £000
Defra and other Government	98,836	(20,560)	96,838	(6,146)
Commercial activities	6,582	666	5,908	438
Overseas activities	4,231	(47)	3,278	6
Total	109,649	(19,941)	106,024	(5,702)

IFRS 8 requires an entity to disclose greater analysis than that shown above. However, VLA has not generated this analysis as IFRS 8 does not require an entity to report information that is not prepared for internal use, and the cost to develop it would be excessive.

21. Post Balance Sheet Events

Veterinary Laboratories Agency's financial statements are laid before the Houses of Parliament by the Secretary of State for Environment, Food and Rural Affairs. IAS 10 requires Veterinary Laboratories Agency to disclose the date on which the accounts are authorised for issue. The authorised date for issue is 27 May 2010.

ACCOUNTS DIRECTION GIVEN BY THE TREASURY

IN ACCORDANCE WITH SECTION 7(2) OF THE GOVERNMENT RESOURCES AND ACCOUNTS ACT 2000

1. This direction applies to the Veterinary Laboratories Agency, an Executive Agency of the Department for Environment, Food and Rural Affairs.

2. The Veterinary Laboratories Agency shall prepare accounts for the year ended 31 March 2010 in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual issued by H M Treasury ("the FReM") which is in force for 2009-10.

3. The accounts shall be prepared so as to:

    a) give a true and fair view of the state of affairs at 31 March 2010 and the income and expenditure and cash flows of the Veterinary Laboratories Agency for the financial year then ended; and

    b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.

Chris Wobschall
Head of Assurance and Financial Reporting Policy Team,
Her Majesty's Treasury
21 December 2009

LOCATIONS

MAIN LABORATORY

Weybridge	New Haw, Addlestone, Surrey, KT15 3NB

REGIONAL LABORATORIES

Aberystwyth	Y Buarth, Aberystwyth, Ceredigion, SY23 1ND
Bury St. Edmunds	Rougham Hill, Bury St. Edmunds, Suffolk, IP33 2RX
Carmarthen	Job’s Well Road, Johnstown, Carmarthen, SA31 3EZ
Langford	Langford House, Langford, Bristol, BS40 5DX
Lasswade	International Research Centre, Pentlands Science Park, Bush Loan, Penicuik, Midlothian, EH26 0PZ
Luddington	Luddington, Stratford-upon-Avon, Warwickshire, CV37 9SJ
Newcastle	Whitley Road, Longbenton, Newcastle upon Tyne, NE12 9SE
Penrith	Merrythought, Calthwaite, Penrith, Cumbria, CA11 9RR
Preston	Barton Hall, Garstang Road, Barton, Preston, PR3 5HE
Shrewsbury	Kendal Road, Harlescott, Shrewsbury, Shropshire, SY1 4HD
Starcross	Staplake Mount, Starcross, Exeter, Devon, EX6 8PE
Sutton Bonington	The Elms, College Road, Sutton Bonington, Loughborough, Leicestershire, LE12 5RB
Thirsk	West House, Station Road, Thirsk, N. Yorkshire, YO7 1PZ
Truro	Polwhele, Truro, Cornwall, TR4 9AD
Winchester	Itchen Abbas, Winchester, Hants, SO21 1BX

SURVEILLANCE CENTRES

Royal Veterinary College	Department of Veterinary Pathology, Hawkshead Campus, Hawkshead Lane, North Mymms, Hatfield, Hertfordshire AL9 7TA
Liverpool University	Department of Veterinary Pathology, Leahurst, Neston, South Wirral, CH64 7T

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