

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)

Company Number: 3901671
Charity Number: 1101885

UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 4 JANUARY 2011

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)

INDEX TO FINANCIAL STATEMENTS

Page No

| | |
|---------|--------------------------------------|
| 1 – 16 | Report of the Directors and Trustees |
| 17 | Statement of Financial Activities |
| 18 | Balance Sheet |
| 19 – 24 | Notes to the Financial Statements |
| 25 | Report of the Independent Examiner |

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)
Company Number: 3901671

REPORT OF THE DIRECTORS AND TRUSTEES

The Trustees are pleased to present their report together with the financial statements for the year ended 4 January 2011.

LEGAL AND ADMINISTRATIVE INFORMATION

Status

The organisation is a charitable company limited by guarantee, incorporated on 4 January 2000 and registered as a charity on 3 February 2004.

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the Trustees are elected at the Annual General Meeting to serve a period of 3 years.

The Members have guaranteed to contribute a maximum of £10 each in the event of the company being wound up.

Organisational Structure

The charity is run by the Board comprising the Trustees who delegate the day to day running to the Principal Officer.

Trustees:

Helen Browning (Chair)
Geoff Tansey
Elizabeth Dowler
Christopher Ritson
Charlie Clutterbuck

Company Secretary and Principal Officer: Thomas MacMillan

Registered Office and Operations Address: 39-41 Surrey Street
Brighton
BN1 3PB

Independent Examiner: P J Thacker FCA DChA
Clark Brownscombe Limited
8 The Drive
Hove
BN3 3JT

Solicitors: Griffith Smith Farrington Webb
47 Old Steyne
Brighton
BN1 1NW

Bankers: Triodos Bank
Brunel House
11 The Promenade
Bristol
BS8 3NN

Registered Charity Number: 1101885

Registered Company Number: 13901671

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)
Company Number: 3901671

REPORT OF THE TRUSTEES (DIRECTORS) – continued

STRUCTURE, GOVERNANCE AND MANAGEMENT

About the Food Ethics Council

The Food Ethics Council believes that we can have a better, fairer food system: where it is easy to eat well and global hunger is a distant memory; where farmers and food producers make a decent living, animals are treated humanely, and the environment is respected.

Who we are

We are a charity and our work is not for profit. We are not affiliated to any political party or religious organisation. Our fourteen council members – all leaders in relevant fields – are appointed as individuals. They bring a broad range of expertise to our work, from academic research through to practical knowledge of farming, business and policy.

What we do

We work as an independent think tank and advisory body, challenging government, business and the public on ethical issues and championing better decision-making. Our members lead this work in a voluntary capacity and our staff support them through research, analysis and advocacy. We publish reports and a magazine, organise deliberative workshops and events, and develop tools for ethical decision-making. We extend our reach by working with others, including public bodies, companies, campaign groups and research institutes.

What we work on

We focus on how choices are made about difficult problems and emerging controversies. Our work has spanned genetically modified foods, social justice in the food system, drug use in farm animals, agriculture and climate change, public involvement in science, functional foods, gene-tailored diets, patents, poverty, farm subsidies and food transport. Our work starts in the UK but its scope is global.

Who funds us

The majority of our funds come in the form of grants from charitable foundations. The charity is independent of government and industry and is not affiliated to any political party or religious organisation. Members take part as individuals. The directors only accept funds that will not compromise the charity's independence.

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)
Company Number: 3901671

REPORT OF THE TRUSTEES (DIRECTORS) – continued

Membership

The council consists of up to twenty members at any time, including scientists, philosophers, farmers and consumer advocates. The members elect trustees (directors) who are responsible for managing the charity. These are listed on page 1. At the end of this year, there were fourteen council members:

- **Ms Helen Browning OBE:** (Chair) Organic farmer; Policy Advisor of the Soil Association (Jan - March 2010); External Affairs Director of the National Trust (March 2010 –January 2011); currently Director of the Soil Association
- **Professor Ruth Chadwick:** Director, ESRC Centre for the Economic and Social Aspects of Genomics (stood down October 2010)
- **Dr Charlie Clutterbuck:** Director, Environmental Practice @ Work and Research Fellow at the Centre for Food Policy, City University London
- **Mr David Croft:** Director of Sustainable Agriculture, Kraft Foods
- **Professor Elizabeth Dowler:** Professor of Food and Social Policy, University of Warwick
- **Ms Julia Hailes MBE:** Freelance writer and consultant
- **Dr. Michelle Harrison:** Chief Executive Officer of TNS-BMRB and founding Chair of the Institute for Insight in the Public Services (joined October 2010)
- **Ms Jeanette Longfield MBE:** Co-ordinator of Sustain: the alliance for better food and farming
- **Dr David Main:** BVA Animal Welfare Foundation Senior Lecturer in Animal Welfare at the University of Bristol (joined October 2010)
- **Professor Ben Mepham:** Special Professor in Applied Bioethics, University of Nottingham
- **Professor Kevin Morgan:** Director, Regeneration Institute; Urban and Regional Governance Research Group, School of City and Regional Planning, Cardiff University
- **Professor David Pink:** Professor of Crop Improvement at Harper Adams University College (joined October 2010)
- **Dr Kate Rawles:** Freelance consultant and philosopher, and senior lecturer in Outdoor Studies at the University of Cumbria
- **Professor Christopher Ritson:** (Treasurer) Professor of Agricultural Marketing, University of Newcastle upon Tyne
- **Professor Doris Schroeder:** Professor of Moral Philosophy and Head, Centre for Professional Ethics, University of Central Lancashire (stood down October 2010)
- **Mr Geoff Tansey:** Joseph Rowntree Visionary for Just and Peaceful World; Freelance writer and consultant
- **Mr John Verrall:** Pharmaceutical chemist (stood down October 2010)

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)
Company Number: 3901671

REPORT OF THE TRUSTEES (DIRECTORS) – continued

Governing instrument and objects

The Food Ethics Council was established in 1998. It became a company limited by guarantee on 4 January 2000 and was registered as a charity on 3 February 2004. The company was previously called the Independent Council for Ethical Standards in Food and Agriculture Limited. The company name was changed to the Food Ethics Council by special resolution at a meeting on 4 November 2003. By special resolution at the same meeting the following objects were adopted, amending the Memorandum and Articles of Association:

1. To promote education for the public benefit in issues of ethics, economic and social studies, politics, science and public policy, as they relate to food and agriculture.
2. To promote for the public benefit research in any of the above fields of education and to publish the useful results of that research.

ACTIVITIES AND DEVELOPMENTS

Overview of the year

The year started with a flurry of activity around food policy, with the launch of the government's Food 2030 document and the announcement that there would be a supermarket ombudsman. But as the year wore on, and the coalition government settled in, it became clear that food was going to take a back seat in policy. The Food Standards Agency's nutrition responsibilities and staff were relocated to the Department of Health, the Sustainable Development Commission and the Agricultural Wages Board suffered in the bonfire of the quangos, and the message from Defra was that consumer choice – led by labels – would be the focus of their commitment to a more sustainable food system.

Our research, publications and advocacy – by council members and staff – contributed to public and policy debate around these issues and more.

Our magazine, *Food Ethics* continued to be a key outlet for our work, providing cutting-edge comment and debate on the most talked about issues of 2010. The magazines have sparked debate in the national and international press and introduced influential policy and business audiences to challenging and new ideas. In 2010, the magazine covered: food and finance; food policy; children and food; and land values, rights and reform.

Our Business Forum meetings, held every two months over dinner at the Clerkenwell Kitchen, a sustainable London restaurant, have gone from strength to strength. Membership increased from 31 to 34 this year, as word has spread of its value in helping food sector executives understand how ethical issues relate to their business, through dialogue with experts, stakeholders and other businesses.

The Business Forum promotes good corporate citizenship by fostering a community of interest in food ethics, and challenging the widespread view within the food industry that 'ethics' is a more a market trend than a moral responsibility. Forum members include household brands, industry associations and business consultants. The six meetings in 2010 focused on: how business ownership affects sustainability; sustainable food innovations – with an example from the Netherlands; the likely effects of the coalition government on food policy; water stewardship; environmental labelling for food; and commodity trading, speculation and food prices.

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)
Company Number: 3901671

REPORT OF THE TRUSTEES (DIRECTORS) – continued

Our research work focused on three key areas this year:

- The Food & Fairness Inquiry, helping to put social justice at the heart of public and policy debates on food security and sustainability.
- The Livestock Dialogues, working with farmers to make progress on the sensitive issue of the contribution that eating meat and dairy makes to climate change.
- Advocacy to take the findings of our research about sustainable food systems to a wider audience.

We also undertook a number of smaller projects. These covered a wide range of issues, from ‘food culture’ and health to eco-labels on food products. The common theme was a focus on how to make good decisions, based on the best evidence and transparent principles, about issues that were uncertain or controversial.

Over the year we held 12 formal events. We wrote, edited or published 17 publications (not including our monthly e-newsletter), and we received widespread coverage in the national and trade press. At the same time, we have built the organisation’s capacity to ensure that we will make a bigger difference than ever in 2011.

Our council members remain the foremost group of experts and opinion formers in our field of work. This year three long-standing members – Prof. Ruth Chadwick, Prof. Doris Schroeder and John Verrall, a founder of the organization – retired. We thank them heartily for their contributions to the Council’s work over many years. We were delighted to welcome three new members: Dr Michelle Harrison (Chief Executive Officer of TNS-BMRB and founding Chair the Institute for Insight in the Public Services), Dr David Main (BVA Animal Welfare Foundation Senior Lecturer in Animal Welfare at the University of Bristol) and Prof. David Pink (Professor of Crop Improvement at Harper Adams University College).

In January, we said a fond farewell to Susan Kerry-Bedell, our Development Manager. Throughout the remainder of the year we employed a full-time Executive Director, full-time Policy Director, part-time Office Manager, and part-time Communications Manager. We have benefited from the help of 13 volunteers over the course of the year, under our internship programme. We are particularly grateful to Tony Winders, who retired after several years of helping with our accounts on a voluntary basis.

The remainder of this section of the annual report describes our activities and capacity-building in greater detail. All our publications mentioned below are available via our website (www.foodethicscouncil.org). With the exception of the current edition of our magazine, they can be downloaded free of charge.

PROJECTS

Food and Fairness

On the 22nd July we launched our new publication *Food Justice: the report of the Food and Fairness Inquiry*. This is the result of a year-long investigation into social justice in food and farming, undertaken by a committee of respected and influential figures from across the food sector. This project was made possible by a grant from The Joseph Rowntree Charitable Trust.

The Food Ethics Council set up the Inquiry, which began with three evidence hearings in 2009, because we were concerned that issues of social justice were underplayed in debates about food policy. The Inquiry committee’s report vindicates this concern. It finds that injustice is widespread throughout the UK and global food system; and it shows how a fairer food system is central to achieving wider sustainability and health goals.

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)
Company Number: 3901671

REPORT OF THE TRUSTEES (DIRECTORS) – continued

The evidence presented in *Food Justice* leaves no room for doubt about the scale of the challenges that face us. However, it is equally clear that we have no choice but to confront those challenges, and to that end the report makes a series of far-reaching recommendations towards a sustainable, healthy and fair food system.

Most significantly, the key messages from the report – the need for urgent action to address social injustice, the centrality of social justice to today’s most pressing ecological concerns, the fact that ‘business as usual is not an option’ – represent a consensus reached despite the diverse perspectives of the business leaders, academics, public servants and campaigners who made up the Inquiry committee. This is a shared voice that demands the attention of anyone with an interest in a fairer future for our food system.

In the second half of 2010 we took these messages to different audiences, including civil servants at the Inside Government conference on food security; food industry professionals at a workshop organised by Leatherhead Food Research; and financial investors at an event we helped co-ordinate with UKSIF, the sustainable investment and finance association. Over one thousand copies of *Food Justice* have been distributed this year.

The Food and Fairness Inquiry committee members were: Helen Browning OBE, Chair of the Inquiry and then Director of External Affairs at the National Trust; Dr Charlie Clutterbuck, Director of Environmental Practice at Work; Elizabeth Dowler, Professor of Food and Social Policy at the University of Warwick; Andrew Jarvis, Principal, GHK; Dr Susan Jebb, Head of Nutrition and Health Research, MRC Human Nutrition Research; Terry Jones, acting Director of Communications, National Farmers’ Union; Harriet Lamb, Chief Executive Officer, Fairtrade Foundation; Melanie Leech, Director General, Food and Drink Federation; Jeanette Longfield MBE, Coordinator, Sustain – the alliance for better food and farming; Ben Mepham, Special Professor in Applied Bioethics, University of Nottingham; Andrew Opie, Food Policy Director, British Retail Consortium; Christopher Ritson, Professor of Agricultural Marketing, University of Newcastle upon Tyne; Geoff Tansey, Joseph Rowntree Visionary for a Just and Peaceful World; and Paul Whitehouse, Chair, Gangmasters Licensing Authority.

Livestock dialogues

Since 2008 the Food Ethics Council has been funded by WWF-UK to undertake work on livestock consumption and climate change. This work, published in September 2009 set out a framework that helps producers, policy-makers and environmental groups to discuss and address the contribution that consuming livestock products makes to climate change.

This year we have continued to promote the findings of that report. We have been working hard to highlight to meat and dairy producers that efforts to reduce the UK’s consumption footprint could be better for their profitability than some measures to tackle production emissions. To this end we have met with producer organisations, including the Agriculture and Horticulture Development Board, the National Farmers Union and EBLEX, the organisation for beef and lamb levy payers in England.

In the third quarter of 2010 we published a second short paper jointly with WWF that reports on how that dialogue has progressed, one year on. It revisits why meat and dairy consumption is an issue for climate change, and explains the differences between consumption and production approaches to mitigation. It also explores in greater depth why, on economic and strategic grounds, UK producers would be well-advised to explore consumption approaches to GHG accounting and mitigation, rather than assuming them to be a threat. The paper, including a response from EBLEX, is available at <http://www.foodethicscouncil.org/node/585>.

In December 2010, WWF-UK secured funding from the Esmée Fairbairn Foundation to continue this work over the next two years. The Food Ethics Council will be the main contractors on the project, which is due to start in the first quarter of 2011.

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)
Company Number: 3901671

REPORT OF THE TRUSTEES (DIRECTORS) – continued

Advocacy programme

A three year programme, funded by the Esmée Fairbairn Foundation from 2009, has given us a unique opportunity to disseminate the work we have done over the past few years more widely through public speaking engagements and meetings, to politicians, journalists and civil servants.

Since the general election in May, we have spent some time mapping the changed political environment, identifying which of the new MPs are most interested in food and farming issues. We sent an election briefing sheet on food policy to journalists in May, and a World Food Day briefing to 150 relevant MPs and peers in October.

We have sought meetings with government ministers, and retained our good relationship with key civil servants in Defra. We have engaged in policy in Scotland, and proactively fostered relations with journalists. We have been in regular contact with all our media contacts from across mainstream and trade press, keeping them up to date with the work we have been doing, and giving them our view on some of the key stories of the day. We continue to have a good relationship with a diverse range of media outlets, from trade magazines to national newspapers and broadcasters.

Water

In 2008 the Food Ethics Council received funding through the European Union-funded CREPE project to run a joint work package with Spain's Fundacion Nueva Cultura del Agua (FNCA) on water scarcity. We completed this work in September 2010, including finalising our contribution to the report prepared by the Open University for the parent project.

We also contributed to a guide on water stewardship published by M&S and WWF-UK. A stewardship approach goes several steps beyond 'water footprinting', focusing on how to resolve water-related ethical issues in practice, rather than simply on measuring and communicating water use. The guide is intended for suppliers.

Ethical Toolkit

Developed thanks to a grant of £1,000 from the Naturesave Trust, and with the help of design interns Hope Wisechild, Jonathan Empson and Barry Caine, we published a toolkit for businesses to help them make ethical decisions. The Ethical Toolkit was sent out to all our Business Forum members and other business contacts, as well as being given away at conferences and seminars we attended over the year. It has proved a very popular publication.

Ethical advice to organic businesses in Wales

Thanks to the popularity of our Ethical Toolkit, we were commissioned by Organic Centre Wales to produce an updated edition aimed at organic businesses in Wales. This will be followed in 2011 by a series of workshops for such businesses and support for those that elect to participate further. The work will focus on addressing farmers and other businesses with the ethical issues that they face in practice.

Local food and climate change

In a small team with freelance consultants Vicki Hird and Robin Webster, we were commissioned by Making Local Food Work (MLFW), the Big Lottery-funded programme involving the Plunkett Foundation, FARMA, CPRE, the Soil Association, Country Markets, Co-operatives UK and Sustain, to undertake a project reviewing the evidence on the climate change impact of local food systems, and make practical recommendations to help community food enterprises reduce their contribution to climate change. Our

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)
Company Number: 3901671

REPORT OF THE TRUSTEES (DIRECTORS) – continued

report is available at <http://www.makinglocalfoodwork.co.uk/templates/asset-relay.cfm?frmAssetFileID=623>.

Local food and consumer behaviour

Many people say they aspire to buy local food, but fewer do so on any scale. The IGD's regular survey of shoppers finds that 30% now say they specifically buy locally produced food, doubling since 2006, but market share may be nearer one or two percent. MLFW commissioned us to draw up practical guidance that will help community food enterprises to increase local food sales, reach more people and help those people to lead more sustainable lives.

MLFW asked us to look at whether the body of work on how to change people's behaviour could offer any help in promoting local food and community food enterprises. 'Behavioural change' refers to ideas like 'nudge' that have proved so popular with big businesses and government. But rather than being nudged from on high, the question here was whether communities can nudge themselves into far greater support for local food systems. The report we wrote has been published by MLFW at <http://www.makinglocalfoodwork.co.uk/news/news.cfm/newsid/165>.

Environmental labelling

As part of a team comprising the University of Hertfordshire, the Food Ethics Council and the Policy Studies Institute, we worked on a Defra research project about environmental labelling of food which considered the issues raised by different approaches to environmental labelling. The report was submitted to Defra in 2010 for publication in 2011. In the meantime, we ran a Business Forum meeting on the interim findings of the report, at which we invited the lead researchers from the University of Hertfordshire to speak.

Food culture in Scotland

We led a team including Food Ethics Council board member Prof. Elizabeth Dowler in undertaking research on food culture, commissioned by NHS Health Scotland.

The aim of the project was to understand more about the cultural dimensions of eating and diet, how Scotland differs from a handful of other countries, and what this might mean for public health intervention.

Our final report on food culture was published at <http://www.healthscotland.com/documents/4734.aspx> on 8th October 2010. An informal summary can be found at <http://www.foodethicscouncil.org/node/540>. We went on to present the findings to a seminar of Scottish policy makers, to the British Sociological Association (BSA) Food Study Group and at the main food conference organised by the Scottish Government.

Tasting the Future

Along with ADAS and the Food and Drink Federation, we co-convened a WWF-led initiative called Tasting the Future, which aims to get businesses, NGOs and others working together on practical projects to promote sustainable consumption.

Tasting the Future comprises a series of multi-stakeholder meetings or 'assemblies'; the first of which took place on 28th June. Around 130 people attended the event. Others will follow in 2011, with the first due in February.

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)
Company Number: 3901671

REPORT OF THE TRUSTEES (DIRECTORS) – continued

The Food Issues Census

In 2009 the JMG Foundation funded us to do a small pilot project to gather tools to help others within civil society prioritise their work on food and farming. They wanted to know what tools exist to help people decide which issues are more important and how they are most likely to be able to change things for the better.

We presented this work to a meeting of environmental funders organised by the Tubney Charitable Trust in May 2010, at which the JMG Foundation indicated their interest in supporting further work to build on this small pilot project.

Further to that, a group of funders (JMG Foundation, Tubney Charitable Trust, A-Team Foundation, the Mark Leonard Trust and the Organix Foundation) commissioned us to undertake a survey and analysis of UK civil society work on food and farming issues. The purpose of the work is to enable funders to get an overview of what work is already going on, which can help identify neglected issues and approaches. The work is also intended to be useful for NGOs, providing a reference point that they can use in making funding bids and a basis for ongoing conversations about priorities with funders. We started work on this project near the end of the year, and it is due to be completed in the spring of 2011.

Beyond Business as Usual

In 2010 we were awarded funding from the Joseph Rowntree Charitable Trust for a new project. ‘Beyond Business as Usual’ aims to identify ways for government to show leadership in tackling major structural challenges facing sustainable food and farming. Through a series of high-level workshops, participants will develop progressive, provocative and practical scenarios for how government’s relationship with business can best serve the public interest in an era when ‘business as usual is not an option’.

There is a growing demand from food businesses and trade associations for the government to provide leadership in addressing structural challenges to sustainability such as financial instability, climate change and insecurity of supply. This is based on the realisation that these challenges constitute threats to businesses’ reputations and supply chains that business cannot address singlehandedly. ‘Beyond Business As Usual’ will clarify and consolidate this emerging mandate from business, and provide concrete proposals for how government should respond.

The project will begin in earnest in 2011, but the first phase (seeking involvement and sponsorship from appropriate stakeholders) got underway in the autumn of 2010.

Magazine

We produced quarterly editions of our magazine, *Food Ethics*, which continued to challenge accepted opinion and spark constructive debate on ethical issues in food and farming. Contributions from experts and opinion-leaders were commissioned and edited by staff at the Food Ethics Council. The magazine goes to subscribers across industry, the media, policy, campaign groups, research institutions and the public at large. We continue to receive an annual grant from the Polden Puckham Charitable Foundation to improve further the quality of our magazine, raise subscriber numbers, and help with print and production costs. The four editions we published in 2010 focused, respectively, on:

- **Food and finance: trading security.** Food and finance have been linked for thousands of years, with the world’s oldest bank set up to insure shepherds and their flocks. But the relationship is not always mutually supportive. There is concern that financial practices such as commodity market speculation have made food prices more volatile. The spring edition of Food Ethics magazine, ‘Food and finance: trading security’, examined how finance can harm future food security, and what a fair finance system

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)
Company Number: 3901671

REPORT OF THE TRUSTEES (DIRECTORS) – continued

might look like. Contributors included Guy Watson from Riverford Organic Vegetables, Harriet Lamb of the Fairtrade Foundation, Ian Price from Triodos Bank, Oliver Greenfield from WWF-UK, David McNair from Christian Aid, and many more experts in food and farming from commodity traders to farmers, and CSR specialists to Fairtrade companies.

- **Food policy: who decides?** With a new government in the UK, the summer edition of *Food Ethics* magazine offered some tips, pointers and case studies for making policy. Experts from around the world wrote about their experiences of making food policy, and spelled out their hopes for the coalition government. The Food Ethics Council drew these points together into a series of 'dos' and 'don'ts', and asked some key players in food and farming how food policy should be made. Contributors to this edition included Tim Lang and David Barling, Eric Holt-Giménez, Andrew Jarvis, Jeanette Longfield, Erik Millstone, Flavio Valente, Hilary Benn and Dacian Ciolos.
- **Growing pains: children and food.** Amid the new UK government's sweeping cuts and reforms to public health, welfare and education, this edition of *Food Ethics* focused on children and food. We grappled with young people's status as consumers and producers, their relationships with the state and their families, and the environmental responsibilities they are inheriting. Our expert contributors discussed school meals, food marketing to children and environmental education. We heard from pioneering projects working with children to create a fairer, healthier and greener food system at a community level, through national campaigns and internationally. Contributors included Dr Helen Crawley (Reader in Nutrition Policy at The Centre for Food Policy, City University), Christine Haigh (Children's Food Campaign), Dr Wendy Wills (British Sociological Association Food Study Group), David Buckingham (Professor of Education at the Institute of Education), Tony Cooke (Sodexo), and Vic Borrill (Brighton and Hove Food Partnership).
- **Land: values, rights and reforms.** Fears of food insecurity, water scarcity and the search for diminishing natural resources are making land our most precious asset. The winter edition of *Food Ethics* took a closer look at some of these pressures on land in the UK and the developing world, and assessed the best ways of tackling them. Contributors included Caroline Spelman MP, Klaus Deninger, lead economist at the World Bank; Shaun Spiers, head of the Campaign to Protect Rural England; Tim Rice from Actionaid; Simon Fairlie; Ian Scoones at the Institute of Development Studies; and Robin Palmer, campaigner and expert on land grabs.

Business Forum

The Business Forum, an initiative that helps food sector executives understand how ethical issues relate to their business through dialogue with experts, stakeholders and other companies, began in 2007. The forum promotes good corporate citizenship by fostering a community of interest in food ethics, and challenging the widespread view within the food industry that 'ethics' is more a market trend than a moral responsibility.

A series of evening roundtable seminars, meetings are held every other month. Each meeting includes a talk by an expert, followed by a discussion around the issue over dinner. Membership is by invitation and the members pay a subscription fee to take part in the meetings. Membership in 2010 rose from 31 in January to 34 by the end of the year.

The forum members include household brands, industry associations and business consultants. By taking part, they gain a more thorough grasp of ethical issues that are becoming core business concerns within the food sector.

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)
Company Number: 3901671

REPORT OF THE TRUSTEES (DIRECTORS) – continued

The six meetings in 2010 focused on:

- **Green governance: how business ownership affects sustainability**, chaired by Helen Browning OBE, Food and Farming Director of the Soil Association and chair of the FEC. The speakers were Sir Don Curry, chair of NFU Mutual, Roger Levett, a leading consultant on sustainability, and Tom Athron, Finance Director of Waitrose.
- **Innovation for sustainable food: an example from the Netherlands**, chaired by Julia Hailes MBE, sustainability consultant, author of the New green consumer guide and member of the Food Ethics Council. The speaker was Sander Mager, Programme Manager for TransForum.
- **Digesting the election: the new politics of sustainable food**, chaired by David Croft, Director of Sustainable Agriculture at Kraft and a member of the Food Ethics Council. Our speakers at this meeting were Thomas Lingard, Deputy Director of Green Alliance, and Adam Leyland, Editor of The Grocer.
- **Water risks: a stewardship approach**, chaired by David Croft, Director of Sustainable Agriculture at Kraft and a member of the Food Ethics Council. Robin Farrington, Water Policy Adviser at WWF-UK; and Louise Nicholls, Head of Responsible Sourcing for Marks and Spencer (M&S) were the speakers at this meeting.
- **Environmental labels for food: scientific, practical and economic issues**, chaired by Julia Hailes MBE, author of The New Green Consumer Guide and a member of the Food Ethics Council. Dr Kathy Lewis and Dr John Tzilivakis, from the Agriculture and Environment Research Unit, University of Hertfordshire were the speakers.
- **Food and finance: commodity trading, speculation and food prices**, chaired by Helen Browning OBE, then External Affairs Director at the National Trust and chair of the Food Ethics Council. The speakers were Javier Blas, commodities editor at the Financial Times, and Julian Oram, head of policy and campaigns at the World Development Movement.

Staff and volunteers

In January 2010 Susan Kerry-Bedell, our Development Manager, left the Food Ethics Council to become a fundraising manager at Plantlife. Throughout the remainder of the year we employed a full-time Executive Director, full-time Policy Director, part-time Office Manager, and part-time Communications Manager.

Our internship programme continued to be successful this year, attracting high-calibre graduates who learnt new skills by helping with work ranging from research to design to communications. In 2010 a total of 13 interns passed through our doors.

We were also grateful for the support of Tony Winders, who monitored our accounts on a regular basis, and retired during the year.

Performance indicators

Our key objective is to encourage wise choices that promote better food and farming. Our focus on influencing decision-making, combined with the fact that we contribute to change across a large and complex system, makes it harder for us to know, except anecdotally, where our work has prompted significant change. This is a problem faced by many research and advocacy organisations, yet such work clearly makes a difference, and the impact of such organisations depends in part on the level and quality of the outputs they produce. We therefore monitor our performance against the following indicators of output:

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)
Company Number: 3901671

REPORT OF THE TRUSTEES (DIRECTORS) – continued

Media coverage

We received extensive and increased coverage in the media in 2010, and were cited over 100 times across trade, national and international magazines and newspapers, TV and radio broadcast and internet media outlets. Our coverage included:

- *The Daily Telegraph* (2nd January 2010) Britain must produce more food, government to warn
- *BBC Working Lunch* (4th January 2010) an appearance by Tom MacMillan to discuss the Defra publication *Food 2030*
- *The Guardian Comment is Free* (5th January 2010) Hilary Benn's contradiction casserole; an article by Tom MacMillan
- *The Grocer* (9th January 2010) Has Defra planted the seeds for a secure food supply?
- *The Guardian* (13th January 2010) Supermarket Ombudsman gets go-ahead
- *Food Manufacture* (13th January 2010) Government gives green light for Ombudsman
- *The Scotsman* (23rd January 2010) Soil body needs better evidence of GM benefits to change its stance
- *The Daily Telegraph* (13th February 2010) Food Prices Rise as Supermarkets Accused of Profiteering
- *The Journal* (20th February 2010) Exploring influence of ethical shoppers
- *The Grocer* (13th March 2010) More crop per drop
- *Farmers Guardian* (17th March 2010) Call for mandatory standards in public sector food
- *The Ecologist* (8th April 2010) Have we got it right on meat and GHG emissions?
- *Food Manufacture* (1st May 2010) There may be trouble ahead for sustainable supply chains
- *The Independent* (22nd May 2010) Consuming issues: can frozen food save you time and money?
- *The Independent* (3rd June 2010) Supermarkets shun seasonal British food
- *The Guardian* (12th July 2010) Food Standards Agency to be abolished by health secretary
- *New Statesman* (12th July 2010) Food Standards Agency to be abolished
- *BBC Farming Today, Radio 4* (13th July 2010) An interview with Tom MacMillan about the abolition of the Food Standards Agency
- *Farmers Guardian* (23rd July 2010) Injustice runs deep in Britain's failing food system
- *Food Navigator* (23rd July 2010) Ethics group challenges business and government to make food fairer
- *Farmers Weekly* (28th July 2010) Ethical report calls for farmer power to reverse food chain injustice
- *Horticulture Week* (30th July 2010) Industry leaders call for changes to improve the fairness of our food system
- *Food Navigator* (31st August 2010) UK austerity plans will be "double-whammy" against children
- *The Guardian Comment is Free* (19th September 2010) An article by FEC Board member Prof. Elizabeth Dowler about industrialised farming and highlighting the Food and Fairness Inquiry

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)
Company Number: 3901671

REPORT OF THE TRUSTEES (DIRECTORS) – continued

- *The Ecologist* (23rd September 2010) E.Coli and salmonella resistance 'spreading' due to antibiotics
- *Farming UK* (15th October 2010) No business as usual on World Food Day
- *The Grocer* (16th October 2010), Tom MacMillan was interviewed for an article about EU plans to introduce an environmental 'omni-label' for food products
- *The Daily Telegraph* (2nd November 2010) Food eco labels not robust enough, study
- *Environmental Industry magazine* (1st December 2010) Food for thought this Christmas, an article on sustainable food by the Food Ethics Council
- *The Ecologist* (27th December 2010) How we can make local food work for all

Publications

The following publications were written by FEC staff or published by the FEC:

- Monthly editions of the Food Ethics Council electronic newsletter.
- Food Ethics Council (2010) Green governance: how business ownership affects sustainability. A report of the Business Forum meeting on 26th January.
- Food Ethics Council (2010) Food and finance: trading security. *Food Ethics Spring 2010*
- Food Ethics Council (2010) Innovation for sustainable food: an example from the Netherlands. A report of the Business Forum meeting on 16th March.
- Food Ethics Council (2010) Ethics: a toolkit for food businesses. March.
- Food Ethics Council (2010) What's on the menu for polling day: a pre-election briefing on food policy. 6th April.
- Food Ethics Council (2010) Digesting the election: the new politics of sustainable food. A report of the Business Forum meeting on 18th May.
- Making Local Food Work (2010) Local food and climate change: The role of community food enterprises. A report by Tom MacMillan, Robin Webster and Vicki Hird for Making Local Food Work. May.
- Food Ethics Council (2010) Food policy: who decides? *Food Ethics Summer 2010*
- Food Ethics Council (2010) Water risks: a stewardship approach. A report of the Business Forum meeting on 13th July.
- Food Ethics Council (2010) Food Justice: the report of the Food and Fairness Inquiry 22nd July.
- Food Ethics Council (2010) Growing pains: children and food. *Food Ethics Autumn 2010*
- Food Ethics Council (2010) Environmental labels for food: scientific, practical and economic issues. A report of the Business Forum meeting on 14th September.
- Food Ethics Council (2010) Food and finance: commodity trading, speculation and food prices. A report

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)
Company Number: 3901671

REPORT OF THE TRUSTEES (DIRECTORS) – continued

of the Business Forum meeting on 16th November.

- NHS Health Scotland (2010) Understanding food culture in Scotland and its comparison in an international context: implications for policy development. A report for NHS Health Scotland by Ian Fitzpatrick, Tom MacMillan, Corinna Hawkes, Annie Anderson (University of Dundee) and Liz Dowler (University of Warwick). November.
- Food Ethics Council (2010) Land: values, rights and reforms *Food Ethics Winter 2010*
- Food Ethics Council and WWF-UK (2010) Livestock consumption and climate change: progress and priorities. December.

Events

We organised the following events:

- A meeting of the Business Forum to discuss how business ownership affects sustainability, on 26th January.
- A meeting of the Business Forum to discuss innovation for sustainable food, on 16th March
- The final meeting of the Food and Fairness Inquiry Committee, on 11th March
- A meeting of the Business Forum to discuss the implications for UK food policy of the new coalition government, on 18th May.
- A workshop with business members of the Food British Retail Consortium to present and discuss the emerging findings of the Food and Fairness Inquiry, on 17th June (joint with the BRC).
- A meeting of the Business Forum to discuss a stewardship approach to water risks, on 13th July.
- A reception to launch the Food Justice report, on 22nd July.
- A workshop with businesses for our environmental labelling project, on 28th May (joint with the Policy Studies Institute and the University of Hertfordshire).
- A meeting of the Business Forum to discuss environmental labels for food on 14th September.
- A meeting of the Business Forum to discuss commodity trading, speculation and food prices on 16th November.

We co-convened or co-organised the following events:

- A workshop with Reos Partnership on the theme of ‘metropolitan agriculture’, on 25th January.
- An initiative led by WWF, and co-convened by the Food Ethics Council and others called Tasting the Future, on 28th June.

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)
Company Number: 3901671

REPORT OF THE TRUSTEES (DIRECTORS) – continued

Future direction

During 2011, we plan to further develop our work as ‘honest brokers’ in difficult issues relating to food and farming. Our biggest activity will be the Beyond Business as Usual project. We shall continue our advocacy programme and several of our current projects, including on livestock and climate change, and report findings of the Food Issues Census.

A key priority for new project development remains to address structural challenges facing the food sector, such as financial regulation and climate change. This was underlined as an urgent and important concern by the Food and Fairness Inquiry.

Our strategy will be consistent with our overall approach during 2010-11. We expect to expand the Council to sixteen members, undertaking further recruitment.

Trustees’ responsibilities

The Trustees (who are also Directors of Food Ethics Council for the purposes of company law) are responsible for preparing the Trustees Report and the financial statements in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Companies Act 2006.

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the year and of the surplus or deficit of the company for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- observe the methods and principles in the Charities SORP;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Results

The net incoming resources for the year amounted to £6,035 (2010: outgoing £23,414). Net restricted outgoings of £5,978 (2010: outgoings £24,716) have been deducted from the balance brought forward and now total £(637) (2010: £5,341). There is a net surplus for the year of £12,013 (2010: surplus £1,302) on general reserves which now stand at £19,697 (2010: £7,684).

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)
Company Number: 3901671

REPORT OF THE TRUSTEES (DIRECTORS) – continued

Reserves Policy

It is the policy of the charity to have adequate resources in place to undertake its planned charitable activities for the foreseeable future and to meet all obligations to staff and creditors if, at any time during the period, it becomes apparent that the charity's objects are no longer achievable or appropriate.

At a meeting of the directors on 14 October 2004, the following policy on reserves was agreed:

1. Excluding those funds represented by fixed assets, general reserves should not exceed more than 8 months forecasted expenditure.
2. There are adequate funds to ensure that the charity is able to meet all current and known future liabilities.

The Treasurer of the Food Ethics Council is responsible for monitoring reserves at least quarterly.

Risk Review

The trustees have conducted their own review of the major risks to which the charity is exposed and systems have been established to manage those risks. Significant external risks to funding have led to the development of a strategic plan, which will allow for the diversification of funding and activities. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

Directors

The directors, who are also the trustees, who served during the year and up to the date of this report are as set out on page 1.

Independent Examiner

The independent examiner, P J Thacker of Clark Brownscombe Limited, is willing to continue in office and a resolution to re-appoint him will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the trustees on _____ and signed on their behalf by:

.....
Chair

Food Ethics Council
39-41 Surrey Street
Brighton
BN1 3PB

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)
Company Number: 3901671

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 4 JANUARY 2011

| | Notes | Unrestricted Funds £ | Restricted Funds £ | 2011 Total £ | 2010 Total £ |
|--|-------|----------------------------|--------------------------|-----------------------|-----------------------|
| Incoming Resources | | | | | |
| Incoming resources from generated funds: | | | | | |
| Donated Services - Volunteers Time | 2 | 27,955 | - | 27,955 | 37,322 |
| Bank Interest | | 40 | - | 40 | 74 |
| Charitable Grants | 2 | - | 85,617 | 85,617 | 117,849 |
| Incoming resources from charitable activities: | | | | | |
| Delegate fees, subscriptions, report sales and other primary purpose trading | | <u>122,420</u> | - | <u>122,420</u> | <u>54,809</u> |
| Total Incoming Resources | | <u>150,415</u> | <u>85,617</u> | <u>236,032</u> | <u>210,054</u> |
| Resources Expended | | | | | |
| Charitable activities | | 100,547 | 126,035 | 226,582 | 228,893 |
| Governance costs | | <u>3,415</u> | - | <u>3,415</u> | <u>4,575</u> |
| Total Resources Expended | 3 | <u>103,962</u> | <u>126,035</u> | <u>229,997</u> | <u>233,468</u> |
| Net (Outgoing)/Incoming Resources before transfers | 4 | 46,453 | (40,418) | 6,035 | (23,414) |
| Transfers Between Funds | | <u>(34,440)</u> | <u>34,440</u> | - | - |
| Net Movements in Funds | | 12,013 | (5,978) | 6,035 | (23,414) |
| Fund Balances brought forward | | <u>7,684</u> | <u>5,341</u> | <u>13,025</u> | <u>36,439</u> |
| Fund Balances carried forward | 11 | <u>19,697</u> | <u>(637)</u> | <u>19,060</u> | <u>13,025</u> |

All amounts relate to continuing activities.

There have been no recognised gains or losses other than the result for the financial year and all surpluses or deficits have been accounted for on an historical cost basis.

The notes on page 19 to 24 form part of these financial statements

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)
Company Number: 3901671

BALANCE SHEET
AS AT 4 JANUARY 2011

| | Notes | 2011 | | 2010 | |
|---|-------|------|----------------------|------|----------------------|
| | | £ | £ | £ | £ |
| Fixed Assets | | | | | |
| Tangible Assets | 8 | | 377 | | 1,534 |
| Current Assets | | | | | |
| Debtors | 9 | | 450 | | - |
| Cash at Bank and in hand | | | <u>20,249</u> | | <u>13,371</u> |
| | | | 20,699 | | 13,371 |
| Creditors: Amounts falling due within one year | 10 | | <u>2,016</u> | | <u>1,880</u> |
| Net Current Assets | | | <u>18,683</u> | | <u>11,491</u> |
| Net Assets | | | <u>19,060</u> | | <u>13,025</u> |
| Funds | | | | | |
| Restricted Funds | | | (637) | | 5,341 |
| Unrestricted Funds | | | <u>19,697</u> | | <u>7,684</u> |
| Total Funds | 12 | | <u>19,060</u> | | <u>13,025</u> |

In the directors' opinion the company was entitled under Section 477 of the Companies Act 2006 to exemption from the audit of its accounts for the year ended 4 January 2011. No notice from Members requiring an audit has been deposited under Section 476 of the Companies Act 2006 in relation to its accounts for the year.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006; and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the trustees on _____ and signed on their behalf by -

.....
Chair

The notes on page 19 to 24 form part of these financial statements

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)
Company Number: 3901671

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 4 JANUARY 2011

1 ACCOUNTING POLICIES

(a) *Accounting basis and standards*

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and follow the recommendations in Accounting and Reporting by Charities: Statement of Recommended Practice issued in March 2005.

(b) *Income*

This represents income from grants, donations and other fund raising activities. Donations are credited to the income and expenditure account in the year in which they are received.

Other income is credited to the income and expenditure account in the year to which it relates.

Grants are recognised on an accruals basis, accounted for in relation to the period to which they relate.

Where grants are received during the year under review but relate to a later period the amount is deferred under Grants in Advance in the Balance Sheet (see Notes 2 and 10).

Donated services, being time spent by volunteers engaged in Research, Design and Marketing work, is measured by actual hours worked and valued at either entry level salary to Food Ethics Council or a commercial rate commensurate with the services provided.

(c) *Resources expended*

These are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration on each activity, comprising the salary and overhead costs of the central function, is apportioned on a basis which is an estimate, based on staff time, of the amount attributable to each activity.

(d) *Depreciation*

Depreciation is calculated on a reducing balance. Depreciation is provided to write down the cost less estimated residual values of tangible fixed assets over their estimated lives at annual rates of:

| | |
|----------------------------------|---------------|
| Fixtures, Fittings and Equipment | 25% per annum |
|----------------------------------|---------------|

The company capitalises fixed assets with a value in excess of £100.

(e) *Funds*

Unrestricted Funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)
Company Number: 3901671

NOTES TO THE FINANCIAL STATEMENTS – continued

| 2 INCOMING RESOURCES | | | 2011 | 2010 |
|---|---------------------|-----------------------------|-----------------------------|-----------------------|
| Grants Received | Unrestricted | Restricted | Total | Total |
| | £ | £ | £ | £ |
| Project Funds | | | | |
| JRCT | - | 28,617 | 28,617 | 51,299 |
| Naturesave Trust | - | 1,000 | 1,000 | - |
| JMG Foundation | - | - | - | 5,000 |
| Polden Puckham Charitable Foundation | - | 6,000 | 6,000 | 8,000 |
| Gerald Micklem Charitable Foundation | - | - | - | 3,000 |
| Esmée Fairbairn Foundation | - | 50,000 | 50,000 | 50,000 |
| AW60 Charitable Trust | - | - | - | <u>550</u> |
| | <u>-</u> | <u>85,617</u> | <u>85,617</u> | <u>117,849</u> |
| Less: Received in the current year but deferred until next year | - | - | - | - |
| Add: Received last year but deferred until the current year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u><u>-</u></u> | <u><u>85,617</u></u> | <u><u>85,617</u></u> | <u><u>117,849</u></u> |

Donated Resources- Volunteer Time

Donated services being time spent by volunteers engaged in Research, Communication, Design and Marketing work, is measured by actual hours worked and valued at either entry level salary to Food Ethics Council or a commercial rate commensurate with the services provided.

The total number of hours donated in the year was 3,014 by 13 volunteers amounting to the equivalent of 2.4 full time volunteers.

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)
Company Number: 3901671

NOTES TO THE FINANCIAL STATEMENTS – continued

3 RESOURCES EXPENDED

| Charitable Activities | Government Leadership | Water Project | Toolkit | Food and Fairness | Advocacy | Food Strategy | Magazine | Total Restricted | Unrestricted | 2011 Total £ | 2010 Total £ |
|-------------------------|--------------------------|---------------------|---------------------|----------------------|----------------------|-------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Staff Costs | 6,286 | 2,432 | - | 18,560 | 46,208 | - | 7,927 | 81,413 | 72,379 | 153,792 | 176,249 |
| Expenses | - | 323 | - | 1,466 | 323 | 282 | - | 2,394 | 6,205 | 8,599 | 10,417 |
| Premises | - | - | - | - | - | - | - | - | 6,128 | 6,128 | 5,832 |
| Office Costs | - | - | - | - | - | 195 | - | 195 | 4,963 | 5,158 | 8,629 |
| Activity Costs | - | - | 1,076 | 5,318 | 676 | - | 4,314 | 11,384 | 39,611 | 50,995 | 25,871 |
| Other | - | - | - | - | - | - | - | - | 753 | 753 | 739 |
| Depreciation | - | - | - | - | - | - | - | - | 1,157 | 1,157 | 1,156 |
| Allocated Overheads | <u>1,947</u> | <u>1,391</u> | - | <u>8,254</u> | <u>15,997</u> | - | <u>3,060</u> | <u>30,649</u> | <u>(30,649)</u> | <u>-</u> | <u>-</u> |
| | <u><u>8,233</u></u> | <u><u>4,146</u></u> | <u><u>1,076</u></u> | <u><u>33,598</u></u> | <u><u>63,204</u></u> | <u><u>477</u></u> | <u><u>15,301</u></u> | <u><u>126,035</u></u> | <u><u>100,547</u></u> | <u><u>226,582</u></u> | <u><u>228,893</u></u> |
| Governance Costs | | | | | | | | | | | |
| Independent Examination | | | | | | | | | | 2,075 | 1,880 |
| Accountancy | | | | | | | | | | 300 | 530 |
| Trustees Expenses | | | | | | | | | | 1,025 | 2,150 |
| Other | | | | | | | | | | <u>15</u> | <u>15</u> |
| | | | | | | | | | | <u><u>3,415</u></u> | <u><u>4,575</u></u> |

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)
Company Number: 3901671

NOTES TO THE FINANCIAL STATEMENTS - continued

4 NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR

| | 2011 | 2010 |
|--------------------------------|---------------------|--------------|
| | £ | £ |
| This is stated after charging: | | |
| Depreciation | 1,157 | 1,156 |
| Accountancy | 300 | 530 |
| Independent Examiner's Fee | <u>2,075</u> | <u>1,880</u> |

5 STAFF COSTS

| | 2011 | 2010 |
|---------------------------------|-----------------------|----------------|
| | £ | £ |
| Staff costs were as follows: | | |
| Donated services-Volunteer Time | 27,955 | 37,322 |
| Salaries | 114,167 | 125,864 |
| Social Security costs | 11,495 | 11,576 |
| Training | 175 | - |
| Recruitment | - | 1,562 |
| On-line filing bonus | - | (75) |
| | <u>153,792</u> | <u>176,249</u> |

No employee received emoluments in excess of £60,000.

| | Number | Number |
|---|-----------------|---------------|
| Average number of employees during the year (excluding volunteers – see note 2) calculated on a full time equivalent basis, was | <u>4</u> | <u>5</u> |

6 TRUSTEES

No Trustee received any remuneration during this or last year.

Out of pocket expenses were reimbursed to Trustees as follows:

| | 2011 | 2011 | 2010 | 2010 |
|------------------------|-----------------|---------------------|---------------|--------------|
| | Number | £ | Number | £ |
| Travel and Subsistence | <u>5</u> | <u>1,025</u> | <u>5</u> | <u>2,150</u> |

7 TAXATION

The company is a registered charity and under Section 505(1) of the Income and Corporation Taxes Act 1988 is exempt from taxation.

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)
Company Number: 3901671

NOTES TO THE FINANCIAL STATEMENTS - continued

8 TANGIBLE FIXED ASSETS

| | Fixtures, Fittings and equipment £ |
|-----------------------|---|
| Cost | |
| At 5 January 2010 | 9,808 |
| Additions | - |
| At 4 January 2011 | <u>9,808</u> |
| Depreciation | |
| At 5 January 2010 | 8,274 |
| Charge for the year | <u>1,157</u> |
| At 4 January 2011 | <u>9,431</u> |
| Net Book Value | |
| At 4 January 2011 | <u>377</u> |
| At 4 January 2010 | <u>1,534</u> |

9 DEBTORS

| | 2011 £ | 2010 £ |
|-------------------------------|------------|-----------|
| Prepayment and accrued income | <u>450</u> | <u>-</u> |

10 CREDITORS – Amounts falling due within one year

| | 2011 £ | 2010 £ |
|-----------------|--------------|--------------|
| Deferred Income | - | - |
| Accruals | <u>2,016</u> | <u>1,880</u> |
| | <u>2,016</u> | <u>1,880</u> |

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds £ | Restricted Funds £ | 2011 Total £ |
|-----------------------|----------------------------|--------------------------|--------------------|
| Tangible Fixed Assets | 377 | - | 377 |
| Net Current Assets | <u>19,320</u> | <u>(637)</u> | <u>18,683</u> |
| Net Assets | <u>19,697</u> | <u>(637)</u> | <u>19,060</u> |

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)
Company Number: 3901671

NOTES TO THE FINANCIAL STATEMENTS - continued

12 MOVEMENT IN FUNDS

| | Balance 05.01.10 £ | Incoming Resources £ | Outgoing £ | Transfer £ | Balance 04.01.11 £ |
|-----------------------|--------------------------|----------------------------|------------------|-----------------|--------------------------|
| Restricted Funds | | | | | |
| Water Project | (169) | - | (4,146) | - | (4,315) |
| Food and Fairness | 3,122 | 18,617 | (33,598) | 11,859 | - |
| Advocacy | - | 50,000 | (63,204) | 13,204 | - |
| Food Strategy | 2,388 | | (477) | - | 1,911 |
| Government Leadership | - | 10,000 | (8,233) | - | 1,767 |
| Toolkit | - | 1,000 | (1,076) | 76 | - |
| Magazine | - | 6,000 | (15,301) | 9,301 | - |
| | <u>5,341</u> | <u>85,617</u> | <u>(126,035)</u> | <u>34,440</u> | <u>(637)</u> |
| Unrestricted Funds | | | | | |
| General Fund | <u>7,684</u> | <u>150,415</u> | <u>(103,962)</u> | <u>(34,440)</u> | <u>19,697</u> |
| | <u>13,025</u> | <u>236,032</u> | <u>(229,997)</u> | <u>-</u> | <u>19,060</u> |

Water Project – Further funds are due in 2011/12 to cover the overspend.

The Food Ethics Council is in the process of moving to a full cost recovery model for funded projects. Accordingly, full core costs, including staff time, are allocated as an overhead against projects. Overheads have been allocated during this year on that basis. Restricted funds that had in earlier years been allocated only partial overheads have therefore required significant transfers from Unrestricted reserves to cover the resulting overspend.

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)
Company Number: 3901671

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
FOOD ETHICS COUNCIL

I report on the accounts of the company for the year ended 4 January 2011, which are set out on pages 17 to 24.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 43 of the 1993 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 43(7) (b) of the 1993 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities.

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

P J Thacker FCA DChA
Clark Brownscombe Limited
8 The Drive
Hove
BN3 3JT

Date: