

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)

Company Number: 3901671
Charity Number: 1101885

UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 4 JANUARY 2010

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

INDEX TO FINANCIAL STATEMENTS

Page No

1 – 17	Report of the Directors and Trustees
18	Statement of Financial Activities
19	Balance Sheet
20 – 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 2010.

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 (Appointed 15th October 2009)

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: 3901671

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 donations. 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; Food and Farming Director, Soil Association
- **Professor Ruth Chadwick:** Director, ESRC Centre for the Economic and Social Aspects of Genomics
- **Dr Charlie Clutterbuck:** Director, Environmental Practice @ Work
- **Mr David Croft:** Director of Conformance and Sustainability, Cadbury plc.
- **Professor Elizabeth Dowler:** Department of Sociology, University of Warwick, researching food and social policy
- **Ms Julia Hailes MBE:** Freelance writer and consultant
- **Ms Jeanette Longfield MBE:** Coordinator of Sustain – the alliance for better food and farming
- **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
- **Dr Kate Rawles:** Freelance consultant and philosopher
- **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
- **Mr Geoff Tansey:** Joseph Rowntree Visionary for Just and Peaceful World; Freelance writer and consultant
- **Mr John Verrall:** Pharmaceutical chemist

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

This was the year that climate change was never far from the front page. The build up to the Copenhagen climate talks meant food and farming was in the spotlight as never before. From food waste to meat consumption, from drought to development, the Food Ethics Council's work shadowed – and often predicted – the key pressure points and controversies surrounding the food system.

Our research, publications and advocacy – by council members and staff – contributed to policy development and public debate on 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 2009. The magazines have sparked debate in the national and international press and introduced influential policy and business audiences to challenging and new ideas. In 2009, the magazine covered: the crisis in global fish stocks, controversies over growing, trading and eating sugar, the burgeoning amount of food waste we create and its effects on people and the environment, and an in-depth look at the challenges that climate change poses to food and farming.

Our Business Forum meetings, held every two months over dinner at a celebrated (and sustainable) London restaurant, have gone from strength to strength. Membership increased from 27 to 31 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. The forum members include household name brands, industry associations and business consultants. The six meetings in 2009 focused on: ethical consumption, health claims and functional foods, food packaging, development, the potential impact of the Copenhagen climate talks on food and farming, and zoonoses and farm animals.

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. We continued our two-year investigation into social justice in the food system, funded by the Joseph Rowntree Charitable Trust, which included setting up a committee of inquiry and holding three evidence sessions.

Our work on water scarcity, which began in 2008, bore fruit, making links with Marks and Spencer and their suppliers, and investigating responsibility for water use along the supply chain. This work was funded by the European Commission through our research partners at the Open University.

We worked on a project for WWF-UK, bringing together meat and dairy farmers, to set out a framework that helps producers, policy-makers and environmental groups discuss and address the contribution of livestock products to climate change. The framework was published late in 2009, and was developed using desk research, interviews with producer organisations, and a stakeholder roundtable.

We were very grateful to receive three years funding in April 2009 from the Esmée Fairbairn Foundation to promote the work that the Food Ethics Council has done to wider audiences. The first year of this work has involved identifying the key issues for food and farming, refining our main messages, writing issue briefings for our website and for policy and media audiences, and researching important stakeholders. We are also very grateful for grants from the Polden Puckham Charitable Foundation towards our magazine, from the AW60 Charitable Trust, from the Naturesave Trust and from the JMG Foundation.

This year we spent some time redeveloping our website with the help of our design intern, Trang Du. This involved rebuilding the entire site, and rewriting much of the content. The website went live on 1st December 2009, and is now much more user-friendly and navigable.

Over the year we held 14 formal events. We wrote, edited or published 23 publications (not including our monthly e-newsletter), and we received growing coverage in the national and trade press. At the same time, we have steadily built the organisation's capacity to ensure that we will make a bigger difference than ever in 2010.

We were delighted to win the Derek Cooper award at the annual BBC Food and Farming Awards ceremony. The award, named after the first BBC Food Programme presenter, is given to the individual or organisation that has done most to increase our knowledge and understanding of good food and the vital role it plays in our lives. The award was presented by the chef and campaigner Hugh Fearnley-Whittingstall at a ceremony chaired by Food Programme presenter Sheila Dillon. Sheila Dillon said: "Without the work of the Food Ethics Council I don't see how we can bring about the changes necessary to create the robust, sustainable food system that scientists and politicians all now agree is crucial for our survival".

We began the year with a full-time Executive Director, part-time Research Fellow, Researcher, Office Manager, and Development and Communications Managers. Our Research Fellow left to become the Green Party's general election campaign organiser, and we recruited a new full time Policy Director in May. We have benefited from the help of 17 volunteers over the course of the year, under our internship programme.

Our council members remain the foremost group of experts and opinion formers in the organisation's field of work. One council member (Charlie Clutterbuck) joined the Board during the year.

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.

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

REPORT OF THE TRUSTEES (DIRECTORS) – continued

PROJECTS

Food distribution

In September 2006, we began a project funded by the Esmée Fairbairn Foundation to examine how decisions that directly affect food distribution, including transport policy, business logistics and ‘local food’ campaigns, could contribute to a more ethical and sustainable food system.

In October 2008 we published our report ‘Food distribution: an ethical agenda’, and this year we produced two further reports, which share more widely some of the background work undertaken during the project.

The first, published on 8th April 2009, is called ‘Future scenarios for the UK food system: a toolkit for thinking ahead’. Based on expert analysis of current and emerging trends, this report identifies four different but equally plausible scenarios for the future of the UK’s food system – from production, distribution, retail, catering and consumption through to its role in politics, the economy and culture. The report includes exercises to help readers ‘future-proof’ campaigns, policies and products, and develop their own vision of a more sustainable food system.

The scenarios are intended to help civil society groups, food policy makers and businesses identify key challenges, test out policies, products and campaigns, and think more clearly about their aspirations for the future.

Our final output from the Food Distribution project, published on 6th May 2009, was ‘From A to B: a snapshot of the UK food distribution system’. It is an overview of a complicated and rapidly changing system of food transport. It lifts the lid on how our food gets from farm to fork, often involving complex journeys, and many staging posts, in several countries. Our report starts by looking at the overall shape of the UK food distribution system, then follows the journey of food from overseas and UK producers via processors and manufacturers, wholesalers, retailers, foodservice companies and shopping trips.

Throughout 2009, our work on food distribution continued to inform our presentations and other commentary on food and sustainable development, including a talk on food distribution to Scottish businesses, NGOs and policy makers in Edinburgh in April, and giving evidence to the Commons International Development Committee for their inquiry into climate change and international development.

This year we submitted our final report on our food distribution project to the Esmée Fairbairn Foundation, who funded the project. We were delighted that the independent evaluator thought that our project was “a fascinating piece of research, the results of which I think the Esmée Fairbairn Foundation should be very pleased with”. We also thank her for and take note of her assessment of the lessons we need to learn from the project.

Water

This year we have spent some considerable time working on two different but connected projects on water scarcity.

Last year we 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. Since then we have been working together to examine how the market in water-intensive agricultural and horticultural produce can cause environmental, social and economic problems, and piloting an initiative to help address this challenge.

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

REPORT OF THE TRUSTEES (DIRECTORS) – continued

2009 saw the Water project get into full swing, with researcher Santi Ripoll publishing a working paper in early spring, and undertaking negotiations with food retailers, vegetable growers and other stakeholders to arrange meetings with them in Andalucía. Ruth Segal reviewed the literature on why water scarcity is a problem and on different approaches to governing water use.

Later in the spring, Santi Ripoll travelled to Spain to visit fruit and vegetable suppliers and other stakeholders, to invite them to participate in our project. These meetings were productive, and Santi went on to hold two workshops in southern Spain involving M&S, one of their vegetable suppliers from the region, other competing water users, water regulators, farmers' unions and NGOs. This work successfully piloted what has broadly become known as a 'stewardship' approach to addressing the problem of water scarcity.

Later in the year, we produced two internal reports that are due to inform the final report from the CREPE project. The first was an issues report reflecting on the nature of cooperative research in the project. We also produced a report for the Open University/EU which analysed the potential contradictions in recent water policy, and examined the opportunities and challenges of consumption-led approaches to water management. We based these analyses on M&S's horticultural supply chains.

The Food Ethics Council's work on water scarcity also contributed to OU research on how researchers and non-researchers, such as our stakeholder panel, can contribute to producing knowledge for environmental sustainability.

This year we also published a joint briefing with Sustain, the alliance for better food and farming, recommending that food companies' water stewardship record should be shown on food labels.

Public awareness of water scarcity remains low. In the UK, citizens are rarely exposed to the direct effects of severe water shortage and cannot readily see the links between their purchases and water shortage in other countries. Water use is not reflected in the price of the final product either. We found that while labels should not involve "litres per kilo" stickers, they should show good water stewardship – companies working hard to use water in ways that conserve it, use it efficiently and are environmentally sustainable.

We recommend that any information on water stewardship ought to go alongside other vital elements of sustainability, such as greenhouse gases, nutrition, and fair trade so people can get a full picture of the impact of the food they buy. Another effect of water labels is that when companies measure their impact they often improve it.

Our report was well received by the food industry, and was covered in the trade and national press, including in the Guardian.

Food and fairness

Our work on social justice in the food system, funded by the Joseph Rowntree Charitable Trust, started in 2008. Having refined the methodology of the project, this year we recruited 14 people to form a Committee of Inquiry at the centre of the process. The invited members include people representing major food companies, the fair trade movement and large farmers. Half were drawn from the Food Ethics Council itself, and the other half from sectors that we identified as being crucial to the process.

The Committee named the process the Food and Fairness Inquiry. Their inaugural meeting took place in May and we launched the inquiry publicly in June with an appeal for evidence. This appeal involved a general press release to all our trade press contacts, and individual invitations to 170 key contacts to submit evidence.

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

REPORT OF THE TRUSTEES (DIRECTORS) – continued

During the summer of 2009 we collated the evidence we received, and planned three evidence sessions. These took place in September, October and November, focusing on ‘Fair Shares’ (inequalities of outcome), ‘Fair Play’ (inequalities of opportunity), and ‘Fair Say’ (autonomy and voice) respectively. We were fortunate to secure the participation of an excellent line-up of witnesses for each of the hearings, and the Inquiry committee had productive and provocative discussions on a wide range of issues pertaining to social justice in food and farming.

Reports of the hearings, and the evidence dossiers that we produced to support the committee’s deliberations, are available on the FEC website.

EFF advocacy

This year we were grateful to receive funding from the Esmée Fairbairn Foundation to build on much of the research we have done over the past few years. This advocacy programme is built around communicating key messages about a sustainable food system to European, national and regional politicians and journalists.

We received our funding in 2009 and spent much of this year revising and refining our key messages, reinforcing and widening relationships with journalists and politicians, updating our contacts and rewriting a major part of our website to make all our information more easily accessible. We also wrote up to 30 issue briefings for our website, which will be expanded into two-page issue briefings for politicians and journalists in 2010.

This is an exciting and ongoing project that will give our work a much wider platform, from the European parliament to regional bodies, through face-to-face meetings, conferences and the press.

Livestock

In late 2008, WWF-UK funded the Food Ethics Council to undertake some work on livestock consumption and climate change. The majority of this work was carried out in 2009.

The UK’s appetite for livestock products accounts for around 8% of our total greenhouse gas (GHG) emissions by consumption. Efforts to reduce these emissions, such as campaigns for consumers to eat less meat, have alienated livestock producers, who are concerned that they are being unfairly targeted, and who have pointed to potential unintended consequences. WWF-UK and the Food Ethics Council believe that it is in the public interest to address such concerns and involve producers in shaping this important policy agenda.

The aim of this project has been to 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. The framework was developed by means of desk research and interviews with producer organisations.

The centrepiece of the project was a roundtable meeting at the Farmers’ Club, chaired by Helen Browning, on the 28th June. The 23 participants were producer representatives, government officials and other stakeholders.

We published the report in September, but continued to undertake intensive advocacy with producers, policy makers and politicians during the rest of the year. These activities included sharing a platform with the Defra secretary of state at the Labour Party Conference, meeting with the Conservative shadow environment team, and targeting news stories at the trade press. We have also outlined our approach to livestock consumption to audiences at the Westminster Food and Nutrition Forum and the Royal Agricultural Society of England.

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

REPORT OF THE TRUSTEES (DIRECTORS) – continued

Towards the end of 2009, WWF-UK commissioned us to undertake further work based on the report we published in the autumn. The focus of this new work is on helping producer organisations and politicians to make some of the arguments we have outlined about consumption their own. In 2010, we will be identifying and contacting a small number of prominent producer organisations whom we can help to develop a constructive public position on meat and dairy consumption.

Setting priorities

The JMG Foundation have funded us to undertake a small piece of work to develop a tool that will help people working in civil society to prioritise their activities relating to food and farming.

Using an on-line database we built up an initial picture of strategies, scale and aims of around 50 different food related projects. The purpose of this initial trawl was to give us enough material to identify which relationships within the data reveal the most informative patterns. This work is ongoing and is due to finish in 2010.

Food ethics toolkit

We were awarded £1,000 from the Naturesave Trust to develop a toolkit for businesses to help them make ethical decisions. This is based on our ethics toolkit postcards, which received acclaim when we trialed them in 2008 with business audiences. This year our design interns have been working on a template and visuals for the forthcoming booklet.

Local food and climate change

As part of a small team, the Food Ethics Council was commissioned by Making Local Food Work to undertake a project reviewing the evidence on the climate change impact of local food systems.

Our brief was to produce practical recommendations for how local food systems can reduce their contribution to climate change. Our role has been to lead a literature review, tackling the methodological challenge of pulling some practically useful knowledge out of a small number of studies that in general emphasise the uncertainty and variability in the impact of local food systems. This project is due to report in 2010.

Seasonal food

In 2008, the Food Ethics Council were approached by the Co-operative Group to do some work for them on seasonal food. This is a high profile issue at the centre of public debate about sustainability and food culture. This work is intended to support the Co-op's leadership on this issue.

As part of our work for the Co-op on developing a strategy towards seasonal food, we published a short paper, which makes generic recommendations to supermarkets on seasonal food. Based on that paper, in November 2009, we shared insights on seasonal food with some of the key bodies working in this area, including Defra's Council of Food Policy Advisers.

Farm animal welfare

We were part of a consortium commissioned by the Tubney Charitable Trust to explore ways of encouraging wider support for work on animal welfare.

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

REPORT OF THE TRUSTEES (DIRECTORS) – continued

Metropolitan agriculture

From December 2009, we assisted with organising a conference in London on the theme of ‘metropolitan agriculture’, scheduled for 25th January 2010. The conference was the first element of a project by Reos Partners, who ran the Sustainable Food Lab in the USA. The project was funded by Transforum, a Dutch organisation that supports innovation in sustainable agriculture. For more details see http://reospartners.co.uk/metroag/london_invite.pdf.

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 2009 focused, respectively, on:

- **Fish: all washed up?** As the Marine and Coastal Access Bill reached a critical stage in the Houses of Parliament, the Food Ethics Council’s magazine brought together some of the leading experts in marine ecosystems, sustainable fishing and ethics to examine why 75% of global fish stocks are fully or over exploited, and what to do about it. Contributors included Hugh Raven (Soil Association Scotland), Ellen-Marie Forsberg (fisheries ethicist), Huw Irranca-Davies (UK Minister for the Natural and Marine Environment), Rick Stein (seafood chef), Caroline Bennet (founder of sushi chain Moshi Moshi), Rupert Howes (Marine Stewardship Council), Emily Howgate (Seafood Choices Alliance) and John Lynham (University of Hawaii).
- **Sugar: a bitter pill?** Every man, woman and child in the UK eats an average 40kg of sugar per year, and global sugar production is 165 million tonnes per year and rising. This issue of Food Ethics Magazine asked what these increasing levels of consumption are doing to our health and environment. Contributors from across the globe wrote about sugar production, trade and consumption. They included Professor Sidney Mintz (author of ‘Sweetness and power’), Rebecca May (WWF-UK), Amy Serrano (Human Rights Foundation), Mariann Fischer Boel (EU Agriculture Commissioner), Neville Rigby (independent consultant and writer on obesity), Jack Winkler (Professor of Nutrition Policy at London Metropolitan University), Professor Adam Drewnowski (Professor of Epidemiology, University of Washington) and David Willers (Better Sugarcane Initiative).
- **Waste: dishing the dirt.** A timely and well-received magazine about the enormous and increasing amount of food waste that consumers, retailers and producers create. From leftovers to packaging, one planet living to reforming labels, our contributors analyse the diverse and interrelated aspects of food waste. They include Achim Steiner (Executive Director of UNEP), Tristram Stuart (author of ‘Waste’), Andrew Opie (British Retail Consortium), Charlotte Henderson (WRAP) and Julie Hill (Green Alliance). This edition prompted extensive coverage in the press, including a prominent article in the Guardian.
- **Climate change: food and farming after Copenhagen.** Timed to coincide with the climate change conference at Copenhagen, this issue took an in-depth look at how farming will be affected by climate change, and the ways farming can help to mitigate against it. We were delighted to secure contributions from Vandana Shiva, Rajendra Pachauri (Chair of the IPCC), Peter Kendall (Chair of the NFU), Gerald Nelson (Senior research associate at IFPRI) and Damian Ryan (The Climate Group). We made this issue freely available and, from anecdotal evidence, heard that it was widely read by many in the NGO delegations at Copenhagen.

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

REPORT OF THE TRUSTEES (DIRECTORS) – continued

Business Forum

The Business Forum is an initiative that helps food sector executives understand how ethical issues relate to their business through dialogue with experts, stakeholders and other companies. Since its inception in 2007, it has gone from strength to strength, with five new members joining in 2009. 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.

The forum, a series of evening roundtable seminars, is 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 2009 rose from 27 in January to 32 by the end of the year.

The forum members include household name 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.

The six meetings in 2009 focused on:

- **Ethical consumption: problem or solution?**, chaired by Julia Hailes MBE, author of The New Green Consumer Guide and a member of the Food Ethics Council, with Professor Neil Ward, Dean of Social Sciences at the University of East Anglia as our speaker.
- **Health claims and functional foods**, chaired by Christopher Ritson, Professor of Agricultural Marketing at the University of Newcastle and a trustee of the Food Ethics Council. The speakers were Nigel Baldwin, Senior Scientific & Regulatory Consultant at Cantox; and Sue Davies MBE, Chief Policy Adviser at Which?
- **Food packaging**, chaired by Jeanette Longfield MBE, Co-ordinator of Sustain and a member of the Food Ethics Council. The speaker was Mark Barthel, WRAP Special Adviser.
- **Partners against poverty?** Chaired by Helen Browning OBE, Food and Farming Director of the Soil Association and chair of the Food Ethics Council. Our speaker at this meeting was Bill Vorley, Head of the Sustainable Markets Group at the International Institute for Environment and Development.
- **What Copenhagen means for us**, chaired by Helen Browning OBE. Damian Ryan, Senior Analyst at the Climate Group, and Tara Garnett, Co-ordinator of the Food Climate Research Network were the speakers at this meeting.
- **Zoonoses and farming**, chaired by Helen Browning OBE, Food and Farming Director of the Soil Association and chair of the Food Ethics Council. The speakers were Prof Hugh Pennington, University of Aberdeen, and Lord Rooker, Chair of the Food Standards Agency.

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

REPORT OF THE TRUSTEES (DIRECTORS) – continued

Staff and volunteers

2009 saw the loss of two long-standing members of staff. Paul Steedman, Research Fellow, left us to become the Green Party's general election campaign organiser, and Ann Baldrige, Office Manager, accepted a full time post at the Brighton and Hove Food Partnership, where she had previously worked part-time. We were joined in May by Sean Roberts, a full-time Policy Director, and Lisa Unsworth joined us in September to become our new Office Manager. In addition, we continued to have in post a full-time Executive Director (Dr Tom MacMillan), part-time Development Manager (Susan Kerry Bedell), part-time Communications Manager (Liz Barling), and part-time Researcher for the Social Justice and Water Projects (Santiago Ripoll).

We have benefited greatly this year from the help of volunteers, including 17 people who have worked for us under our internship programme. Our interns learnt new skills by helping with work ranging from research to design and communications. We would like to give particular thanks to Trang Du, who worked with us for 14 months designing our magazine and developing our new website, which went live in December. We are also grateful for the continued support of Ben Wilson, who provided IT expertise, and Tony Winders, who monitored our accounts on a regular basis.

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, make 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:

Media coverage

We received extensive and increased coverage in the media in 2009, 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:

- *New Consumer* (21st February 2009) Shaping a sustainable food system.
- *The Grocer* (7th March 2009) Sustainable fishing. A letter to the editor by Tom MacMillan.
- *Scoff/The Spectator* (30th March 2009) What's left on the menu? An article by Tom MacMillan.
- *BBC online* (9th April 2009) Meat in moderation.
- *Food Navigator* (9th April 2009) New toolkit to 'future-proof' food businesses.
- *BBC online* (10th April 2009) Is there still mileage in food miles?
- *Australian Food News* (15th April 2009) Insights into the possible future of food.
- *The Age* (18th May 2009) In vitro meat – would you eat hamburgers from the lab?
- *FarmingUK* (2nd June 2009) Inquiry launched into food and fairness.
- *Food Manufacture* (30th June 2009) From the field to the fork.
- *Cost Sector Catering* (24th July 2009) Food should carry water footprint.

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

REPORT OF THE TRUSTEES (DIRECTORS) – continued

- *The Guardian* (21st July 2009) Food products should carry 'water footprint' information.
- *The Ecologist* (31st July 2009) Organic food: FSA study leaves bad taste in the mouth.
- *Food and Drink Innovation Network* (29th July 2009) Joint report calls for water footprints to appear on food products.
- *The Ecologist* (5th August 2009) How fair is the food sector?
- *Food Navigator* (5th August 2009) Interview with Helen Browning OBE – Food and Fairness Inquiry to “inspire and warn” manufacturers.
- *The Guardian* (10th August 2009) Supermarket offers and food waste targeted in government’s food strategy.
- *The Ecologist* (11th August 2009) Can Defra deliver its 2030 food vision?
- *The Guardian* (8th September 2009) Elimination of food waste could lift 1bn out of hunger, say campaigners.
- *Farmers Guardian* (22nd September 2009) Livestock vital in fight against climate change.
- *The Grocer* (26th September 2009) Food Ethics Council sets out 27 ways to slash meat and dairy.
- *The Guardian* (21st October 2009) GM research is needed urgently to avoid food crisis, says RS.
- *The Independent* (23rd October 2009) Solutions for a hungry planet.
- *The Daily Telegraph* (17th November 2009) A letter to the editor: Not another GM debate.
- *BBC Radio 4* (27th November 2009) BBC Radio 4 Food and Farming Awards 2009 winners announced.
- *Farm Business* (28th November 2009) Environmental impact of meat “fiendishly complicated” says expert.

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 (2009) Ethical consumption: problem or solution? A report of the Business Forum meeting on 21st January.
- Food Ethics Council (2009) Fish: all washed up? *Food Ethics Spring 2009*.
- Food Ethics Council (2009) Health claims and functional foods: how will EU regulation shape our choices? A report of the Business Forum meeting on 17th March.
- Food Ethics Council (2009) Future scenarios for the UK food system: A toolkit for thinking ahead. March 2009.
- Food Ethics Council (2009) From A to B: A snapshot of the UK food distribution system. April 2009.
- Food Ethics Council (2009) Food packaging: beyond reduction. A report of the Business Forum meeting on 25th May.

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

REPORT OF THE TRUSTEES (DIRECTORS) – continued

- Food Ethics Council (2009) Sugar: a bitter pill? *Food Ethics Summer 2009*.
- Food Ethics Council and Sustain (2009). Water Labels on Food: issues and recommendations. July 2009. By Ruth Segal and Dr. Tom MacMillan.
- Food Ethics Council (2009) Partners against poverty: businesses and international development. A report of the Business Forum meeting on 14th July.
- Food Ethics Council (2009) Waste: dishing the dirt. *Food Ethics Autumn 2009*.
- Food Ethics Council and WWF-UK (2009) Livestock consumption and climate change: a framework for dialogue. September 2009 by Dr. Tom MacMillan and Rachael Durrant.
- Food Ethics Council (2009) What Copenhagen means for us: climate challenges to the business sector. A report of the Business Forum meeting on 15th September.
- Food Ethics Council (2009). Food and Fairness Inquiry Fair Shares: inequalities in health and nutrition. A report of the first evidence hearing on 16th September.
- Food Ethics Council (2009). Food and Fairness Inquiry Dossier one: Fair Shares. 16th September.
- Food Ethics Council (2009). Food and Fairness Inquiry Fair play: inequalities of opportunity. A report of the second evidence hearing on 23rd October.
- Food Ethics Council (2009). Food and Fairness Inquiry Dossier two: Fair play. 23rd October.
- Food Ethics Council (2009). Food cultures in Scotland: Report of a workshop held at the Food & Health Alliance Conference 2009. November.
- Food Ethics Council (2009) What should supermarkets do about seasonal food? A discussion paper for The Co-operative. 4th November.
- Food Ethics Council (2009) Zoonoses and farming: evidence, ethics and implications. A report of the Business Forum meeting on 17th November.
- Food Ethics Council (2009). Food and Fairness Inquiry Fair Say: autonomy and voice. A report of the third evidence hearing on 26th November.
- Food Ethics Council (2009). Food and Fairness Inquiry Dossier three: Fair say. 26th November.
- Food Ethics Council (2009) Climate change: food and farming after Copenhagen *Food Ethics Winter 2009*.
- A submission to an inquiry on food security by the Environment Food and Rural Affairs Committee of the House of Commons (2009).

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

REPORT OF THE TRUSTEES (DIRECTORS) – continued

Events

We organised the following events:

- A meeting of the Business Forum to discuss ethical consumption on 20th January
- A meeting of the Business Forum to discuss health claims on foods, on 17th March
- The first meeting of the Food and Fairness Inquiry committee on 14th May.
- A meeting of the Business Forum to discuss food packaging on 20th May.
- A roundtable on livestock and climate change on 26th June.
- A meeting of the Business Forum about international development on 14th July.
- A meeting of the Business Forum about climate change on 15th September.
- The first evidence hearing of the Food and Fairness Inquiry committee on 16th September.
- Two multi-stakeholder workshops on water stewardship with M&S suppliers in Almeria, Spain, on 1st and 8th October.
- The second evidence hearing of the Food and Fairness Inquiry committee on 23rd October.
- A meeting of the Business Forum about zoonoses on 17th November.
- Two workshops on ‘Scottish food culture’ at the Food and Health Alliance conference in Edinburgh on 17th November.
- The third evidence hearing of the Food and Fairness Inquiry committee on 26th November.

Future direction

During 2010, we plan to further develop our work as honest brokers in difficult issues relating to food and farming. Our biggest milestone will be the report of our Food and Fairness Inquiry during the summer. We shall also continue many of our current projects, including on livestock and climate change, and on water scarcity.

A key priority for new project development will be work to address structural challenges facing the food sector, such as financial regulation and climate change. This has been underlined as an urgent and important concern during the evidence hearings for the Food and Fairness Inquiry.

Our strategy will be consistent with our overall approach during 2009-10. We expect to see a shift in our income towards primary purpose trading, as we take on consultancy research projects, but the overall mix of our activities will remain unchanged. We expect to expand the Council to sixteen members, undertaking a new round of recruitment.

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

REPORT OF THE TRUSTEES (DIRECTORS) – continued

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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 outgoing resources for the year amounted to £23,414 (2009: £5,253). Net outgoings of £24,716 (2009: income £322) are to be used on restricted projects which now total £5,341 (2009: £30,057). There is a net surplus for the year of £1,302 (2009: deficit £5,575) on general reserves which now stand at £7,684 (2009: £6,382).

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.

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

REPORT OF THE TRUSTEES (DIRECTORS) – continued

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 29 July 2010 and signed on their behalf by:

Helen Browning, 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 2010

	Notes	Unrestricted Funds £	Restricted Funds £	2010 Total £	2009 Total £
Incoming Resources					
Incoming resources from generated funds:					
Donated Services – Volunteers’ Time	2	37,322	-	37,322	31,735
Bank Interest		74	-	74	1,440
Charitable Grants	2	3,550	114,299	117,849	81,780
Incoming resources from charitable activities:					
Delegate fees, subscriptions, report sales and other primary purpose trading		<u>54,809</u>	-	<u>54,809</u>	<u>51,601</u>
Total Incoming Resources		<u>95,755</u>	<u>114,299</u>	<u>210,054</u>	<u>166,556</u>
Resources Expended					
Charitable activities		81,150	147,743	228,893	168,361
Governance costs		<u>4,575</u>	-	<u>4,575</u>	<u>3,448</u>
Total Resources Expended	3	<u>85,725</u>	<u>147,743</u>	<u>233,468</u>	<u>171,809</u>
Net (Outgoing)/Incoming Resources before transfers	4	10,030	(33,444)	(23,414)	(5,253)
Transfers Between Funds		<u>(8,728)</u>	<u>8,728</u>	-	-
Net Movements in Funds		1,302	(24,716)	(23,414)	(5,253)
Fund Balances brought forward		<u>6,382</u>	<u>30,057</u>	<u>36,439</u>	<u>41,692</u>
Fund Balances carried forward	11	<u>7,684</u>	<u>5,341</u>	<u>13,025</u>	<u>36,439</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 20 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 2010

	Notes	2010		2009	
		£	£	£	£
Fixed Assets					
Tangible Assets	8		1,534		2,690
Current Assets					
Debtors	9		-		111
Cash at Bank and in hand			<u>13,371</u>		<u>38,740</u>
			13,371		38,851
Creditors: Amounts falling due within one year	10		<u>1,880</u>		<u>5,102</u>
Net Current Assets			<u>11,491</u>		<u>33,749</u>
Net Assets			<u>13,025</u>		<u>36,439</u>
Funds					
Restricted Funds			5,341		30,057
Unrestricted Funds			<u>7,684</u>		<u>6,382</u>
Total Funds	12		<u>13,025</u>		<u>36,439</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 2010. 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 29 July 2010 and signed on their behalf by -

Helen Browning, Chair

The notes on page 20 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 2010

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			2010	2009
Grants Received	Unrestricted	Restricted	Total	Total
	£	£	£	£
Project Funds				
JRCT	-	51,299	51,299	34,989
Open University Crepe	-	-	-	22,507
JMG Foundation	-	5,000	5,000	-
Polden Puckham Charitable Foundation	-	8,000	8,000	10,000
Gerald Micklem Charitable Foundation	3,000	-	3,000	-
Esmée Fairbairn Foundation	-	50,000	50,000	-
AW60 Charitable Trust	<u>550</u>	-	<u>550</u>	<u>690</u>
	3,550	114,299	117,849	68,186
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>13,594</u>
	<u>3,550</u>	<u>114,299</u>	<u>117,849</u>	<u>81,780</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 4,024 by 17 volunteers amounting to the equivalent of 2.3 full time employees.

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

NOTES TO THE FINANCIAL STATEMENTS – continued

3 RESOURCES EXPENDED

Charitable Activities	Food Distribution	Water Project	Food and Fairness	EFF Advocacy	Food Strategy	Magazine	Total Restricted	Unrestricted	2010 Total £	2009 Total £
Staff Costs	3,360	8,189	27,313	41,530	2,121	4,445	86,958	89,291	176,249	126,969
Expenses	74	3,420	2,430	88	-	16	6,028	4,389	10,417	9,734
Premises	-	-	-	-	-	-	-	5,832	5,832	5,630
Office Costs	-	-	15	29	-	-	44	8,585	8,629	2,979
Activity Costs	4,453	1,943	5,064	-	-	2,218	13,678	12,193	25,871	20,998
Other	-	-	-	-	-	-	-	739	739	892
Depreciation	-	-	-	-	-	-	-	1,156	1,156	1,159
Allocated Overheads	<u>1,326</u>	<u>4,242</u>	<u>18,392</u>	<u>15,263</u>	<u>491</u>	<u>1,321</u>	<u>41,035</u>	<u>(41,035)</u>	<u>-</u>	<u>-</u>
	<u>9,213</u>	<u>17,794</u>	<u>53,214</u>	<u>56,910</u>	<u>2,612</u>	<u>8,000</u>	<u>147,743</u>	<u>81,150</u>	<u>228,893</u>	<u>168,361</u>
Governance Costs										
Reporting Accountant									-	999
Independent Examination									1,057	-
Accountancy									1,353	1,157
Trustees Expenses									2,150	1,277
Other									<u>15</u>	<u>15</u>
									<u>4,575</u>	<u>3,448</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

	2010	2009
	£	£
This is stated after charging:		
Depreciation	1,156	1,159
Accountancy	1,353	1,177
Reporting Accountant's Fee	-	999
Independent Examiner's Fee	<u>1,057</u>	<u>-</u>

5 STAFF COSTS

Staff costs were as follows:

Donated services-Volunteer Time	37,322	31,735
Salaries	125,864	86,516
Social Security costs	11,576	7,569
Recruitment	1,562	1,249
On-line filing bonus	<u>(75)</u>	<u>(100)</u>
	<u>176,249</u>	<u>126,969</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>5</u>	<u>3</u>

6 TRUSTEES

No Trustee received any remuneration during this or last year.

Out of pocket expenses were reimbursed to Trustees as follows:

	2010	2010	2009	2009
	Number	£	Number	£
Travel and subsistence	<u>5</u>	<u>2,150</u>	<u>5</u>	<u>1,277</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.

8 TANGIBLE FIXED ASSETS

**Fixtures, Fittings
And Equipment**
£

Cost

At 5 January 2009	9,808
Additions	-
At 4 January 2010	<u>9,808</u>

Depreciation

At 5 January 2009	7,118
Charge for the year	<u>1,156</u>
At 4 January 2010	<u>8,274</u>

Net Book Value

At 4 January 2010	<u>1,534</u>
At 4 January 2009	<u>2,690</u>

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

NOTES TO THE FINANCIAL STATEMENTS - continued

9 DEBTORS

	2010	2009
	£	£
Prepayment and accrued income	<u>-</u>	<u>111</u>

10 CREDITORS – Amounts falling due within one year

	2010	2009
	Total	Total
	£	£
Deferred Income	-	-
Accruals	<u>1,880</u>	<u>5,102</u>
	<u>1,880</u>	<u>5,102</u>

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	2010 Total
	£	£	£
Tangible Fixed Assets	1,534	-	1,534
Net Current Assets	<u>6,150</u>	<u>5,341</u>	<u>11,491</u>
Net Assets	<u>7,684</u>	<u>5,341</u>	<u>13,025</u>

12 MOVEMENT IN FUNDS

	Balance 05.01.09	Incoming Resources	Outgoing	Transfer	Balance 04.01.10
	£	£	£	£	£
Restricted Funds					
Food Distribution	7,395	-	(9,213)	1,818	-
Water Project	17,625	-	(17,794)	-	(169)
Food and Fairness	5,037	51,299	(53,214)	-	3,122
EFF Advocacy	-	50,000	(56,910)	6,910	-
Food Strategy	-	5,000	(2,612)	-	2,388
Magazine	<u>-</u>	<u>8,000</u>	<u>(8,000)</u>	<u>-</u>	<u>-</u>
	30,057	114,299	(147,743)	8,728	5,341
Unrestricted Funds					
General Fund	<u>6,382</u>	<u>84,557</u>	<u>(74,527)</u>	<u>(8,728)</u>	<u>7,684</u>
	<u>36,439</u>	<u>198,856</u>	<u>(222,270)</u>	<u>-</u>	<u>13,025</u>

Water Project – Further funds are due in 2010/11 to cover the 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 2010, which are set out on pages 18 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: 24 August 2010