

**FOOD ETHICS COUNCIL**  
**(A Company Limited by Guarantee)**

**Company Number: 3901671**  
**Charity Number: 1101885**

**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 4 JANUARY 2009**

**FOOD ETHICS COUNCIL**  
**(A Company Limited by Guarantee)**

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**FOOD ETHICS COUNCIL**  
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**REPORT OF THE TRUSTEES (DIRECTORS)**

The Trustees are pleased to present their report together with the financial statements for the year ended 4 January 2009.

**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.

<b>Trustees (Directors):</b>	Helen Browning (Chair)
	Geoff Tansey
	John Verrall (Resigned 21 May 2008)
	Elizabeth Dowler
	Christopher Ritson (Appointed 12 June 2008)

<b>Company Secretary and Principal Officer:</b>	Thomas MacMillan
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<b>Registered Office and Operations Address:</b>	39-41 Surrey Street Brighton BN1 3PB
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<b>Accountants:</b>	Clark Brownscombe 8 The Drive Hove BN3 3JT
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<b>Solicitors:</b>	Griffith Smith Farrington Webb 47 Old Steyne Brighton BN1 1NW
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<b>Bankers:</b>	Triodos Bank Brunel House 11 The Promenade Bristol BS8 3NN
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<b>Registered Charity Number:</b>	1101885
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**FOOD ETHICS COUNCIL**  
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**Registered Company Number:** 3901671

**REPORT OF THE TRUSTEES (DIRECTORS) – continued**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**About The Food Ethics Council**

The Food Ethics Council challenges government, business and society to make wise choices that lead to better food and farming. Uniquely, we focus on how choices are made and we champion decisions that are:

- **Principled** – aiming to benefit people, animals and the planet, and to treat each fairly and with dignity.
- **Informed** – based on sound knowledge and diverse experience, but ready for surprises.
- **Inclusive** – involving and answerable to the people they affect.

**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 fifteen 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 supports them through research, analysis and advocacy. We publish reports and a magazine, we organise deliberative workshops and events, and we 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, drug use in farm animals, 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.

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**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

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**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 global concern over rising food commodity prices culminated in an emergency meeting of world heads of state in Rome, that the GM debate was reignited as an answer to food shortages, and the UK government's Cabinet Office published 'Food Matters', a major review of its policies affecting food.

The Food Ethics Council contributed to policy development and public debate on these issues and more.

Our magazine, *Food Ethics* has been a key outlet for our work, predicting many of the pressure points and controversies surrounding food and farming, and providing cutting-edge comment and debate on the most talked about issues of 2008. The magazines have prompted national and international press coverage and put challenging ideas to an influential policy audience.

In 2008, the magazine covered: water scarcity in the food chain; a critical analysis of the global food crisis; an attempt to lay the foundation for constructive dialogue on GM that moves on from stagnant arguments for or against the technology; and a guide to the catering industry – the problems it creates and faces, and creative solutions to those problems.

Our Business Forum meetings, held every two months over dinner, have gone from strength to strength. Membership increased from 15 to 28 this year, as word has spread of its value in helping food sector executives to understand how ethical issues relate to their business through dialogue with experts, stakeholders and 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 meetings in 2008 focused on: water scarcity; ethical labels and standards; food security; the UK government's food strategy report 'Food Matters; innovation in agriculture; and worker exploitation in agriculture, horticulture and primary processing

Our research work continued to focus on the ethics of 'food miles', examining the environmental and social impacts of food distribution by road, air and other means. In 2007 we had held a series of stakeholder workshops and this year we completed further analysis to underpin two agenda-setting reports on food distribution and air freight. We also continued to advocate policy changes based on previous research, particularly in the fields of Common Agricultural Policy reform and agricultural science policy.

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**REPORT OF THE TRUSTEES (DIRECTORS) – continued**

This year saw the end of two years of core funding from the Joseph Rowntree Charitable Trust (JRCT) and the start of a new JRCT-funded project on food and social justice, which will run until October 2010. We began work on a second major new project, on water scarcity, funded by the European Commission through our research partnership with the Open University. We are also very grateful for grants from the Polden Puckham Charitable Foundation towards our magazine, and from the AW60 Charitable Trust.

Over the year we held thirteen formal events. We wrote, edited or published 21 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 2009, gaining funding and staff.

We began the year with two new part-time staff - Development Manager and a Communications Manager – in addition to our full-time Executive Director, part-time Research Fellow and part-time Office Manager. Then, in October, we recruited a new part-time member of staff to take on the research role for our social justice project. We have benefited from the help of 13 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 (Peter Lund) stood down during the year, another (John Verrall) stepped down from the Board but remains on the Council, and a third (Christopher Ritson) joined the Board.

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](http://www.foodethicscouncil.org)). With the exception of our magazine, they can be downloaded free of charge.

**Sustainable food distribution**

That food reaches our plates is a logistical feat in a country where fewer than 2% of people grow it and many ingredients move thousands of miles. Yet the ways food travels cannot be sustained. More important than the direct environmental, social and economic costs of transporting it, is how the UK's food distribution infrastructure cements in place production, consumption and trading practices that destroy the environment, harm animals and are deeply unjust.

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

The final phase of the project began in 2008. We reconvened the project steering group in July to discuss the focus of the main project report and plan for the production of two accompanying reports: a toolkit to help other organisations benefit from the future scenario workshops we ran in 2007, and a handbook on the food distribution system.

'Food distribution: an ethical agenda' was published on 9<sup>th</sup> October 2008 following extensive writing and redrafting over the summer. We held a press launch on 8<sup>th</sup> October, which led to coverage in the Guardian, and we secured an interview on BBC Farming Today as well as coverage in the trade press. We held a launch event for policy makers on 10<sup>th</sup> October. Over 25 people from government, business and NGOs attended, as well as 3 Food Ethics Council members.

In our report we describe work already underway in the UK to improve food distribution, pointing out gaps and tensions. We then offer a vision of the future of food distribution that throws a spotlight on the choices society and government face in reconciling competing aims. The report ends with recommendations for government, business and civil society. The report can be freely accessed on our website.

Outreach work in 2008 to increase awareness of our report included a World Food Day debate chaired by Rosie Boycott, speaking events mentioning the work at the Labour and Conservative Party Conferences, as well as a targeted mail shot of the report to MPs sitting on relevant committees and a fruitful meeting with officials from the Department for Transport.

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**REPORT OF THE TRUSTEES (DIRECTORS) – continued**

Further publications – a toolkit for businesses and a snapshot of the current food distribution system – are due to be launched in 2009.

**Airfreight**

In 2007, we received a small grant from the Network for Social Change to fund a series of workshops on food airfreight, complementing our existing project on sustainable food distribution. The project's starting point was that wrangling between NGOs over the ethics of air freighting food had created an environment in which businesses, particularly supermarkets, have been responding to public concern over this issue in ways that serve neither the environment nor development very well.

The project began in earnest in Spring 2008, with a meeting of the main UK NGOs involved in the debate over airfreight. At this meeting we identified key messages including that, whilst taking action on airfreight was important, without also tackling the problems presented by higher absolute greenhouse gas emissions from meat and dairy production, it smacked of tokenism.

The outcome of this meeting shaped the format of the next, which was with supermarkets. At this second meeting we sought to understand how the supermarkets might respond to messages from the NGO workshop, explore unexpected issues that those messages may raise, and involve retailers in the process so they are not forced to reject the project's recommendations simply because they do not have time to consider them.

The report 'Flying food: responsible retail in the face of uncertainty' was launched on 21<sup>st</sup> May 2008 at a press and industry event. It was well received by NGOs and businesses, despite the tough challenges that it sets retailers.

**Social Justice**

As our road pricing project drew to a close, we heard that a new project, to be funded by the Joseph Rowntree Charitable Trust, had been given the go-ahead. This new project is about food and social justice. From fair trade to global hunger, food has seen some of the boldest efforts to tackle inequality, and some of the worst cases of exploitation. We'll be asking: how fair is the global food system? Who are the winners and losers? Who is responsible for making it fairer?

The centrepiece of the project is an independent public Food and Fairness Inquiry. We will be encouraging organisations and individuals who work in food, or farming, business, policy or campaigning, or simply enjoy eating food to contribute evidence to the Inquiry and help increase the profile and clarity of debates around food and fairness.

The Inquiry will look for first-hand experience in the form of written or oral evidence from consumers and people working in food and farming, and relevant research that sheds light on these questions and more.

While commissioned and serviced by the Food Ethics Council, the Food and Fairness Inquiry is led by a committee that includes leading figures from sectors and communities with a stake in food and farming. Over the coming 18 months, and having received all the submitted evidence, the committee will examine what lies behind success stories and failures, and seek to understand the responsibilities of the British government, businesses and public in promoting a fair global food system. The Inquiry's findings and recommendations will highlight consensus and differences among the members.

The Inquiry will collect written evidence from May 2009 and hold public hearings in September, October and November, reporting in the spring of 2010.

**Water**

This year, the Food Ethics Council began a joint project on water scarcity with Spain's Fundacion Nueva Cultura del Agua ([FNCA](#)), funded by the European Commission. Together we will examine how the market in water-intensive agricultural and horticultural produce can cause environmental, social and economic problems, and pilot an initiative to help address this challenge.

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**REPORT OF THE TRUSTEES (DIRECTORS) – continued**

Economic growth, urbanisation and changing food production practices have placed global water resources under acute strain. Global water consumption increased six-fold over the last century, according to the UN Millennium Report, and over 1.4 billion people are living in river basins where high water use is putting ecosystems under pressure. In parts of Europe, water scarcity is shaping up to be one of the most pressing environmental, social and economic challenges facing politicians, businesses and communities alike.

Nowhere are the international dimensions of water scarcity more pronounced than in the food sector. Globally, agriculture uses 69% of all freshwater extracted from rivers, lakes and aquifers. In some southern European countries it accounts for up to 90% of all water use. And much of that water is used to make agricultural goods to trade across international waters. We will examine the impacts of this trade in 'virtual water' in our joint project.

The project will focus on the virtual water flows from Spain to the UK through the trade in fruit and vegetables. Southern Spain is one of the most water-stressed regions of Europe, yet it exports large volumes of water-intensive horticultural produce to other EU countries, including the UK.

This project aims to add several facets to the large amount of effort already being invested by other organisations in tackling water scarcity problems. In particular, we want to examine the social impacts of water scarcity and of efforts to address water problems. As this is too complicated and case-specific to capture in a measure like 'embedded water', we will pilot an approach to tackling water problems based on dialogue involving stakeholders in the region affected and right along the supply chain.

In summer of 2008, Food Ethics Council intern Ruth Segal undertook an initial review of relevant literature to inform the methodology for the project, and we approached Marks and Spencer to see if they would be interested in being a case study.

In November, funding came through, allowing the Food Ethics Council to begin work on the project in earnest. Marks and Spencer agreed to collaborate and we met with our FNCA partners to finalise the methodology and workplan. Next steps in 2009 are to build a stakeholder body including a vegetable grower and NGOs in the water scarce region of Andalucía.

#### **Food Ethics toolkit**

We piloted a toolkit consisting of a series of postcards designed to introduce key ideas in food ethics to a business audience. Our design intern, Matt Tudge, created the cards based on content written by Tom MacMillan and Council member Ben Mephram. A short run of the cards was printed and given to delegates at the Food and Drink Innovation Network seminar on food ethics on 16<sup>th</sup> April 2008.

The postcards were very well received both at the conference and in feedback from our newsletter readers, when we sent them a link to the online version on our website. The toolkit also received coverage in Food Manufacture magazine.

We intend to develop the toolkit further, building the content and images into a dedicated section of our soon-to-be redesigned website, developing a paid-for service where we offer talks based on the toolkit to food businesses, and undertaking further funded work to promote the use of these and other tools in decision-making about food.

#### **Magazine**

We produced quarterly issues 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. In April, we gratefully received £10,000 from the Polden Puckham Charitable Foundation to improve further the quality of our magazine, raise subscriber numbers and help with print and production costs.

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**REPORT OF THE TRUSTEES (DIRECTORS) – continued**

The four editions we published in 2008 focused, respectively, on:

- **Water scarcity and food production.** Contributors included some of the world’s leading experts on water and food scarcity, such as Jacob Tomkins (Waterwise), José Esteban Castro (Newcastle University), Stuart Orr (WWF) and Tim Lang (City University). As well as disseminating the magazine in the usual way, we created a special flyer for distribution at Waterwise’s annual water efficiency conference in April 2008.
- **The food crisis: scarcity or injustice?** Contributors included leading researchers and analysts from universities, industry and NGOs as well as Josette Sheeran (World Food Programme), Jacques Diouf (FAO), Peter Melchett (Soil Association), Lester Brown (Earth Policy Institute), and Adam Drewnowski (University of Washington). The magazine was in the UK Minister’s reading pack for his journey to an emergency FAO meeting in Rome about food prices.
- **GM foods: the wrong debate?** A bold attempt to move the argument on from “do we need GM” to “what do we need to ensure agriculture is fit to feed the world?” Contributors from all sides of the debate wrote for the magazine, including Robert Paarlberg, Penelope Nestel, Sakiko Fukuda-Parr, Adrian Dubock, Clare Oxborrow and Christopher Ritson. The debate was picked up in Farming Today and the trade press, and the magazine was well received across the board.
- **The eating out guide: catering for ethics.** This eating out guide with a difference looked at the problems found in the food service sector, and creative responses from business, the public sector and community groups. Contributors wrote on corporate social responsibility (Michael Heasman), public health (Alan Maryon-Davies, President of the Faculty of Public Health), community catering (Clare Devereux), workers rights (Tony Royle, author of ‘Working for MacDonald’s in Europe’) and public procurement (Helen Crawley, Caroline Walker Trust).

**Business Forum**

The Business Forum, an initiative to help food sector executives understand how ethical issues relate to their business through dialogue with experts, stakeholders and other companies, has gone from strength to strength in 2008. 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 structured 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 2008 rose from 15 in January to 28 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 2008 focused on:

- **Water scarcity**, chaired by David Croft, Food Ethics Council member and Director of Conformance and Sustainability at Cadbury, with two speakers – Tim Hess and Keith Waterhead from Cranfield University.
- **Ethical labels and standards**, chaired by Julia Hailes MBE, co-founder of SustainAbility, author of the New Green Consumer Guide and a member of the Food Ethics Council. The speakers were Ian Bretman, from The Fairtrade Foundation, and Jim Sumberg, from the New Economics Foundation
- **Food security.** This was chaired by Helen Browning OBE, Director of the Soil Association and Chair of the Food Ethics Council. The speakers were Philip Lowe, Director of the Rural Economy and Land Use programme, and David Barling from City University

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- A discussion around the UK government report ‘**Food Matters: Towards a Strategy for the 21<sup>st</sup> Century**’, chaired by Helen Browning. The speaker was Andrew Jarvis, Deputy Director in the Cabinet Office Strategy Unit and leader of the team that produced the report.
- **Innovation in agriculture**, chaired by David Croft. Professor Bob Watson, Defra’s chief scientist and the director of the International Assessment of Agricultural Knowledge, Science and Technology for Development, was the speaker at this meeting.
- **Worker exploitation** in agriculture, horticulture and primary processing. Charlie Clutterbuck, Director of Environmental Practice @ Work and a member of the Food Ethics Council, chaired the meeting, and the speaker was Ian Livsey, Chief Executive of the Gangmasters Licensing Authority.

**Commissioned work**

We undertake commissioned work that supports the organisations’ aims. Our goal is for commissioned work to reduce our reliance on charitable grants for core funding. In 2008 we did the following pieces of commissioned work:

The Co-operative Group commissioned the Food Ethics Council to undertake a short piece of work setting out the pros and cons of promoting seasonal food. This work, which took the form of a series of slides, focused on the environmental and social aspects of seasonal food promotion.

Following on from this short piece of work, the Co-operative Group commissioned us to help develop a strategy on seasonal food. This work involved Tom MacMillan meeting senior managers representing aspects of the business including farming, logistics, sales, marketing, buying, membership and Corporate Social Responsibility. This led to the presentation of a draft strategy to those teams at the end of the year.

We were members of a small consortium that bid successfully to undertake a short project for the Tubney Charitable Trust. The aim of this project was to help the trust find ways of encouraging wider support for work on animal welfare.

**Outreach and advocacy**

This year we have continued to promote better decision-making around other issues in food and farming based on our previous and current research and analysis.

We continued to develop cross-party political advocacy by speaking at fringe meetings at both the Labour and Conservative party conferences. These provided valuable insights into the political conference system that will be helpful in future years.

In 2007, the UK Cabinet Office initiated a major review of policies relating to food. Our Executive Director was a member of the expert advisory panel for this review, which met several times in 2008, and several of our council members have taken part in workshops to inform the project. The report, ‘Food Matters’, was launched in July 2008, and we received coverage in national newspapers commenting on it.

Our staff spoke at or chaired a number of meetings and conferences over the course of the year, in addition to those mentioned above, including:

- Chairing panel discussion about food industry strategies for addressing environmental change at the Global Environmental Change and Food Systems conference at Oxford University.
- Speaking at the Westminster Food and Nutrition Forum seminar on Food Labelling policy
- Speaking at the Dana Centre on ethical issues in food and farming.
- Chairing a session on food, farming and health at the conference of the Sustainable Development Research Network.
- Speaking on food distribution to the Association of Convenience Stores.
- Speaking at a dinner organized by the Work Foundation, chaired by Will Hutton and opposite BP’s Chief Economist.

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**REPORT OF THE TRUSTEES (DIRECTORS) – continued**

**Staff, Volunteers and Members**

We began the year with a team of three staff and ended with six. Continuing from 2007, we had in post a full-time Executive Director (Dr Tom MacMillan), part-time Research Fellow for the Road Pricing and Sustainable Food Project (Paul Steedman) and part-time Office Manager (Ann Baldrige). In January, they were joined by a part-time Development Manager (Susan Kerry Bedell) and part-time Communications Manager (Liz Barling). Then, in October 2008, we recruited a part-time Researcher for the Social Justice Project (Santiago Ripoll).

In addition, we benefited greatly this year from the help of volunteers, including 13 people who have worked for us under our internship programme. Our interns learnt new skills by helping with work ranging from research to marketing and communications. We are also grateful for the continued support of Ben Wilson, who provided IT expertise, Tony Winders, who monitored our accounts on a monthly basis, and Lucy Rundle, who assisted in finding event venues.

There were three changes to the membership of the council. John Verrall retired from the Board, and Christopher Ritson took his place. Peter Lund stepped down from the Council.

**Performance Indicators**

Our aim 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, both make it difficult 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**

Coverage of our work in the national or trade press was extensive in 2008, and included:

- *Food Manufacture* (25<sup>th</sup> March 2008) choice editing.
- *The Telegraph* (2<sup>nd</sup> May 2008) GM crops.
- *The Observer* (25<sup>th</sup> May 2008) water footprints.
- *BBC Working Lunch* (21<sup>st</sup> May 2008) Paul Steedman interviewed about our airfreight report.
- *The Telegraph* (21<sup>st</sup> May 2008) air freight and ‘carbon hypocrisy’.
- *BBC Farming Today* (29<sup>th</sup> May 2008) air freight report.
- *The Guardian* (8<sup>th</sup> and 9<sup>th</sup> July 2008) reporting and comment on the UK government’s Food Matters report.
- *International Freight Weekly* (21<sup>st</sup> July 2008) air freight report.
- *The Guardian* (20<sup>th</sup> August 2008) water scarcity and food shortages.
- *Food Manufacture* (1<sup>st</sup> September 2008) a meaningful debate on GM food.
- *BBC Farming Today* (2<sup>nd</sup> September 2008) Tom MacMillan interviewed about GM foods.
- *MSN home page* (6<sup>th</sup> September 2008) ethical food checklist.

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**REPORT OF THE TRUSTEES (DIRECTORS) – continued**

**Publications**

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

- Food Ethics Council (2008) *Water scarcity: a threat as big as climate change?* A report of the Business Forum meeting on 24<sup>th</sup> January.
- Food Ethics Council (2008) *Ethical labels and standards: does differentiation drive progress?* A report of the Business Forum meeting on 18<sup>th</sup> March.
- Food Ethics Council (2008) *Water: the ethics of efficiency* *Food Ethics*. Spring 2008.
- Paul Steedman (2008) *Will 'ethical' labels make our food system more ethical?* A summary of a presentation to the Westminster Food and Nutrition forum.
- Food Ethics Council (2008) A response to an invitation to help frame an EFRA Committee inquiry into the science capability of Defra and its agencies. March
- Food Ethics Council (2008) *Ethics: a toolkit for food businesses*. A set of postcards. April.
- Food Ethics Council (2008) *Flying food: workshop report*. April.
- Food Ethics Council (2008) *Flying food: responsible retail in the face of uncertainty*. May.
- Food Ethics Council (2008) *Food security: back on the agenda but what does it mean?* A report of the Business Forum meeting on 22<sup>nd</sup> May.
- Food Ethics Council (2008) *The food crisis: scarcity or injustice?* *Food Ethics*. Summer 2008.
- Food Ethics Council (2008) A response to the Food Standards Agency consultation on *The FSA's approach to sustainable development*. June.
- Food Ethics Council (2008) *Food policy: inconvenient truths*. A report of the Business Forum meeting on 18th July.
- Tom MacMillan (2008) *Diet for a dry planet*. The Guardian 20<sup>th</sup> August.
- Food Ethics Council (2008). *GM Foods: the wrong debate?* *Food Ethics*. Autumn 2008.
- Liz Barling (2008) *Ethical food checklist*. MSN website and Food Ethics Council website. September.
- Food Ethics Council (2008) *Innovation in agriculture: learning from IAASTD*. A report of the Business Forum meeting on 15<sup>th</sup> September.
- Food Ethics Council (2008) *Biological approaches to enhance food-crop production*. A response to a consultation by the Royal Society. October.
- Food Ethics Council (2008) *Food Distribution: an ethical agenda*. 9<sup>th</sup> October.
- Food Ethics Council (2008) *The eating out guide: catering for ethics*. *Food Ethics*. Winter 2008.
- Food Ethics Council (2008) *Protecting workers: challenges in UK food and farming*. A report of the Business Forum meeting on 18<sup>th</sup> November.
- Tom MacMillan (2008) chapter 7 ('Just Knowledge? Governing research on food and farming) in *Sustainable farmland management: transdisciplinary approaches*. Fish, R., Seymour, S., Watkins, C., and Steven M. CABI, Wallingford.
- Monthly editions of the Food Ethics Council electronic newsletter.

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**REPORT OF THE TRUSTEES (DIRECTORS) – continued**

**Events**

We organised the following events:

- *Water scarcity: a threat as big as climate change?* The first of six Business Forum meetings, organised and hosted by FEC.
- *Ethical labels and standards: does differentiation drive progress?* The second Business Forum meeting organised and hosted by FEC.
- *Flying food.* A civil society workshop about air freight on 4<sup>th</sup> April..
- A session at the Global Environmental Change and Food Security conference on 3rd April.
- The Food and Drink Innovation network conference on food ethics co-organised by FEC on 16<sup>th</sup> April, featuring three council members as speakers.
- *Flying food: responsible retail in the face of uncertainty.* The launch of our air freight project.
- *Food security: back on the agenda but what does it mean?* The third Business Forum meeting on 25<sup>th</sup> May.
- *Food policy: inconvenient truths.* The fourth Business Forum meeting on 18<sup>th</sup> July.
- *Innovation in agriculture: learning from IAASTD.* The fifth Business Forum meeting on 18<sup>th</sup> September.
- *Food distribution: an ethical agenda.* Media report launch on 8<sup>th</sup> October.
- *Food distribution: an ethical agenda.* Policy report launch on 10<sup>th</sup> October.
- *Fair food distribution in a warmer world.* A World Food Day debate and reception on 16<sup>th</sup> October.
- *Protecting workers: challenges in UK food and farming.* The sixth Business Forum Meeting on 18<sup>th</sup> November.

**Trustees' responsibilities**

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the company and of the results of the company for that period. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies as shown in note 1 and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue on that basis.

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 1985, and Charities Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Results**

The net outgoing resources for the year to 4<sup>th</sup> January 2009 amounted to £5,253 (to 4<sup>th</sup> January 2008: incoming £35,126). Net income of £322 (2008: £24,778) is to be used on restricted projects which now total £30,057

**FOOD ETHICS COUNCIL**  
**(A Company Limited by Guarantee)**

(2008: £29,375). There is a net deficit for the year of £5,575 (2008: £10,348) on general reserves which now stand at £6,382 (2008: £11,957).

**FOOD ETHICS COUNCIL**  
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**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.

**Accountants**

The Reporting Accountants, Clark Brownscombe, are willing to continue in office and a resolution to re-appoint them 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 VII of the Companies Act 1985 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**  
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**STATEMENT OF FINANCIAL ACTIVITIES**  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 4 JANUARY 2009

	Notes	Unrestricted Funds £	Restricted Funds £	2009 Total £	2008 Total £
<b>Incoming Resources</b>					
Incoming resources from generated funds:					
Donated Services - Volunteers Time	2	31,735	-	31,735	26,216
Donations		-	-	-	-
Bank Interest		1,440	-	1,440	1,729
Charitable Grants	2	25,690	56,090	81,780	120,068
Incoming resources from charitable activities:					
Delegate fees, subscriptions and report sales		<u>51,601</u>	-	<u>51,601</u>	<u>26,864</u>
<b>Total Incoming Resources</b>		<u><b>110,466</b></u>	<u><b>56,090</b></u>	<u><b>166,556</b></u>	<u><b>174,877</b></u>
<b>Resources Expended</b>					
Charitable activities		112,593	55,768	168,361	137,650
Governance costs		<u>3,448</u>	-	<u>3,448</u>	<u>2,101</u>
<b>Total Resources Expended</b>	3	<u><b>116,041</b></u>	<u><b>55,768</b></u>	<u><b>171,809</b></u>	<u><b>139,751</b></u>
<b>Net (Outgoing)/Incoming Resources before transfers</b>	4	(5,575)	322	(5,253)	35,126
<b>Transfers Between Funds</b>		-	-	-	-
<b>Net Movements in Funds</b>		(5,575)	322	(5,253)	35,126
<b>Fund Balances brought forward</b>		<u>11,957</u>	<u>29,735</u>	<u>41,692</u>	<u>6,566</u>
<b>Fund Balances carried forward</b>	11	<u><b>6,382</b></u>	<u><b>30,057</b></u>	<u><b>36,439</b></u>	<u><b>41,692</b></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 pages 16 to 20 form part of these financial statements

**FOOD ETHICS COUNCIL**  
(A Company Limited by Guarantee)

**BALANCE SHEET**  
**AS AT 4 JANUARY 2009**

	Notes	2009 £	2008 £
<b>Fixed Assets</b>			
Tangible Assets	8	2,690	2,340
<b>Current Assets</b>			
Debtors	9	111	594
Cash at Bank and in hand		<u>38,740</u>	<u>58,177</u>
		<b>38,851</b>	<b>58,771</b>
<b>Creditors: Amounts falling due within one year</b>	<b>10</b>	<u><b>5,102</b></u>	<u>19,419</u>
<b>Net Current Assets</b>		<u><b>33,749</b></u>	<u>39,352</u>
<b>Net Assets</b>		<u><b>36,439</b></u>	<u>41,692</u>
<b>Funds</b>			
Restricted Funds		30,057	29,735
Unrestricted Funds		<u>6,382</u>	<u>11,957</u>
<b>Total Funds</b>	<b>12</b>	<u><b>36,439</b></u>	<u>41,692</u>

In the directors' opinion the company was entitled under Section 249A(1) of the Companies Act 1985 to exemption from the audit of its accounts for the year ended 4 January 2009. No notice from Members requiring an audit has been deposited under Section 249B(2) of the Companies Act 1985 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 Section 221 of the Companies Act 1985 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 Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Approved by the Trustees on .....and signed on their behalf by -

Chair

The notes on pages 16 to 20 form part of these financial statements

**FOOD ETHICS COUNCIL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 4 JANUARY 2009**

**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 January 2007), the Companies Act 1985 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 4 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
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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)

**NOTES TO THE FINANCIAL STATEMENTS - continued**

<b>2 INCOMING RESOURCES</b>			<b>2009</b>	<b>2008</b>
<b>Grants Received</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Project Funds				
JRCT	25,000	9,989	34,989	50,000
Open University Crepe	-	22,507	22,507	-
Network for Social Change	-	-	-	4,818
Esmée Fairbairn Foundation	-	-	-	34,750
AW60 Charitable Trust	690	-	690	-
Polden Puckham Charitable Foundation	-	10,000	10,000	-
	<u>25,690</u>	<u>42,496</u>	<u>68,186</u>	89,568
Less: Received in the current year but deferred until next year	-	-	-	(13,594)
Add: Received last year but deferred until the current year	<u>-</u>	<u>13,594</u>	<u>13,594</u>	<u>44,094</u>
	<u><u>25,690</u></u>	<u><u>56,090</u></u>	<u><u>81,780</u></u>	<u><u>120,068</u></u>

**Donated Resources- Volunteer Time**

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.

The total number of hours donated in the year was 3,223 by 17 volunteers amounting to the equivalent of 2 full time employees.

**FOOD ETHICS COUNCIL**  
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**NOTES TO THE FINANCIAL STATEMENTS – continued**

**3 RESOURCES EXPENDED**

<b>Charitable Activities</b>	<b>Road Pricing Project</b>	<b>Airfreight Project</b>	<b>Water Project</b>	<b>Social Justice</b>	<b>Magazine</b>	<b>Total Restricted</b>	<b>Unrestricted</b>	<b>2009 Total</b>	<b>2008 Total</b>
Staff Costs	22,574	1,905	3,353	4,216	5,256	37,304	89,665	126,969	95,737
Expenses	2,022	509	576	491	15	3,613	6,121	9,734	6,407
Premises	-	-	-	-	-	-	5,630	5,630	4,956
Office Costs	-	-	-	-	-	-	2,979	2,979	2,474
Activity Costs	5,254	1,164	-	-	4,247	10,665	10,333	20,998	27,124
Other	-	-	-	-	-	-	892	892	171
Depreciation	-	-	-	-	-	-	1,159	1,159	781
Allocated Overheads	<u>2,342</u>	<u>164</u>	<u>953</u>	<u>245</u>	<u>482</u>	<u>4,186</u>	<u>(4,186)</u>	<u>-</u>	<u>-</u>
	<u>32,192</u>	<u>3,742</u>	<u>4,882</u>	<u>4,952</u>	<u>10,000</u>	<u>55,768</u>	<u>112,593</u>	<u>168,361</u>	<u>137,650</u>
<b>Governance Costs</b>									
Accountancy								2,156	1,140
Trustees Expenses								1,277	976
Other								<u>15</u>	<u>15</u>
								<u>3,448</u>	<u>2,101</u>

**FOOD ETHICS COUNCIL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS – continued**

**4 NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR**

	<b>2009</b>	<b>2008</b>
	£	£
This is stated after charging:		
Depreciation	1,159	671
Accountancy	<u>2,156</u>	<u>1,178</u>

**5 STAFF COSTS**

	<b>2009</b>	<b>2008</b>
	£	£
Staff costs were as follows:		
Donated services-Volunteer Time	31,735	26,216
Salaries	86,516	62,490
Social Security costs	7,569	6,018
Recruitment	1,249	1,283
On-line filing bonus	<u>(100)</u>	<u>(250)</u>
	<u>126,969</u>	<u>95,737</u>

	<b>Number</b>	<b>Number</b>
Average number of employees during the year (excluding volunteers – see note 2) calculated on a full time equivalent basis, was	<u>3</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:

	<b>2009</b>	<b>2009</b>	<b>2008</b>	<b>2008</b>
	Number of trustees	£	Number of trustees	£
Travel	<u>5</u>	<u>1,277</u>	<u>6</u>	<u>946</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**

	<b>Fixtures, Fittings And Equipment</b>
	£
<b>Cost</b>	
At 5 January 2008	8,299
Additions	<u>1,509</u>
At 4 January 2009	<u>9,808</u>
<b>Depreciation</b>	
At 5 January 2008	5,959
Charge for the year	<u>1,159</u>
At 4 January 2009	<u>7,118</u>
<b>Net Book Value</b>	
At 4 January 2009	<u>2,690</u>

**FOOD ETHICS COUNCIL**  
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At 4 January 2008

2,340

**NOTES TO THE FINANCIAL STATEMENTS – continued**

**9 DEBTORS**

	<b>2009</b>	2008
	£	£
Prepayment and accrued income	<u>111</u>	<u>594</u>

**10 CREDITORS – Amounts falling due within one year**

	<b>2009</b>	2008
	<b>Total</b>	<b>Total</b>
	£	£
Deferred Income	-	13,594
Accruals	<u>5,102</u>	<u>5,825</u>
	<u>5,102</u>	<u>19,419</u>

**11 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>2009</b>
	<b>Funds</b>	<b>Funds</b>	<b>Total</b>
	£	£	£
Tangible Fixed Assets	2,690	-	2,690
Net Current Assets	<u>3,692</u>	<u>30,057</u>	<u>33,749</u>
Net Assets	<u>6,382</u>	<u>30,057</u>	<u>36,439</u>

**12 MOVEMENT IN FUNDS**

	Balance 05.01.08	Incoming Resources	Outgoing	Balance 04.01.09
	£	£	£	£
<b>Restricted Funds</b>				
Road Pricing Project	24,917	13,594	(32,192)	6,319
Airfreight Project	4,818	-	-	1,076
			(3,742)	
Water Project	-	22,507	(4,882)	17,625
Social Justices	-	9,989	(4,952)	5,037
Magazine	-	10,000	(10,000)	-
	<u>29,735</u>	<u>56,090</u>	<u>(55,768)</u>	<u>30,057</u>
<b>Unrestricted Funds</b>				
General Fund	<u>11,957</u>	<u>110,466</u>	<u>(116,041)</u>	<u>6,382</u>
	<u>41,692</u>	<u>166,556</u>	<u>(171,809)</u>	<u>36,439</u>

**FOOD ETHICS COUNCIL**  
**(A Company Limited by Guarantee)**

**CHARTERED ACCOUNTANTS' REPORT TO THE MEMBERS**  
**ON THE UNAUDITED ACCOUNTS OF**  
**FOOD ETHICS COUNCIL**

We report on the accounts for the year ended 4 January 2009 set out on pages 14 to 20.

**Respective responsibilities of Trustees and reporting accountants.**

As described on page 12, the Trustees are responsible for the preparation of the accounts and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

**Basis of opinion**

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

**Opinion**

In our opinion:

- a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- b) having regard only to, and on the basis of, the information contained in those accounting records:
  - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
  - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act (as modified by section 249A(5)) and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 259B(1).

**Clark Brownscombe**  
**Reporting Accountants**

8 The Drive  
Hove  
East Sussex  
BN3 3JT

Date: