

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)

Company Number: 3901671

Charity Number: 1101885

UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 4 JANUARY 2012

FOOD ETHICS COUNCIL
(A Company Limited by Guarantee)

INDEX TO FINANCIAL STATEMENTS

Page No

1 – 8	Report of the Directors and Trustees
9	Statement of Financial Activities
10	Balance Sheet
11 – 16	Notes to the Financial Statements
17	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 2012.

LEGAL AND ADMINISTRATIVE INFORMATION

Status

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

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

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

Organisational Structure

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

Trustees:

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

Company Secretary and Principal Officer:

Thomas MacMillan (Until 3 January 2012)
Sue Dibb (From 3 January 2012)

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

Bankers:

Triodos Bank
Deanery Road
Bristol
BS1 5AS

Registered Charity Number:

1101885

Registered Company Number:

13901671

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

REPORT OF THE DIRECTORS AND TRUSTEES – continued

STRUCTURE, GOVERNANCE AND MANAGEMENT

About the Food Ethics Council

The Food Ethics Council is the UK's leading organisation working for a fairer and sustainable food system. Our vision is a food system that is fair and healthy for people and the planet and where social justice and ecological sustainability are the norm.

Who we are

We are a charity and our work is not for profit. 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. They are supported through research, analysis and advocacy by our staff.

What we do

We work as an independent organisation raising awareness of food ethics; engaging government, business and civil society to put ethics at the heart of decisions about food; developing tools and solutions that help people make ethical decisions; identifying and advocating policies to enhance the fairness and sustainability of food systems; and holding government and others to account in a way that accelerates progress towards a fairer food system.

We undertake projects, publish reports and briefings, publish the *Food Ethics* magazine, organise deliberative workshops and events, host a Business Forum and develop tools for ethical decision-making. We extend our engagement 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, food transport, sustainable diets and behaviour change. Our work starts in the UK but its scope is global.

How we are funded

The majority of our funds come in the form of grants from charitable foundations. The charity is independent of government and industry and is not affiliated to any political party or religious organisation. We also undertake selected consultancy work and receive subscription income for the Food Ethics magazine and our Business Forum. 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 DIRECTORS AND TRUSTEES – continued

Membership

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

- **Ms Helen Browning OBE:** (Chair) Organic farmer; Policy Advisor of the Soil Association (Jan - March 2010); External Affairs Director of the National Trust (March 2010 –January 2011); currently Director of the Soil Association
- **Dr Charlie Clutterbuck:** Director, Environmental Practice @ Work and Research Fellow at the Centre for Food Policy, City University London
- **Mr David Croft:** Director of Food Technology at Waitrose
- **Professor Elizabeth Dowler:** Professor of Food and Social Policy, University of Warwick
- **Ms Julia Hailes MBE:** Freelance writer and consultant (Stood down September 2011)
- **Dr Michelle Harrison:** Chief Executive Officer of TNS-BMRB and founding Chair of the Institute for Insight in the Public Services
- **Ms Jeanette Longfield MBE:** Co-ordinator of Sustain: the alliance for better food and farming
- **Dr David Main:** BVA Animal Welfare Foundation Senior Lecturer in Animal Welfare at the University of Bristol
- **Professor Ben Mepham:** Special Professor in Applied Bioethics, University of Nottingham
- **Professor Kevin Morgan:** Director, Regeneration Institute; Urban and Regional Governance Research Group, School of City and Regional Planning, Cardiff University
- **Professor David Pink:** Professor of Crop Improvement at Harper Adams University College
- **Dr Kate Rawles:** Freelance consultant and philosopher, and senior lecturer in Outdoor Studies at the University of Cumbria
- **Professor Christopher Ritson:** (Treasurer) Emeritus Professor of Agricultural Marketing: University of Newcastle upon Tyne
- **Mr Geoff Tansey:** Joseph Rowntree Visionary for Just and Peaceful World (2006-10); Freelance writer and consultant
- **Professor Richard Norman:** Emeritus Professor of Moral Philosophy at the University of Kent (joined April 2011)

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

REPORT OF THE DIRECTORS AND TRUSTEES – 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 year we have continued to advocate our messages of putting social justice at the heart of public and policy debates on food security and sustainability. Our research, publications and advocacy by council members and staff contributed to public and policy debate. In 2011 we employed a full-time Executive Director, full-time Policy Director, part-time Office Manager, and part-time Communications Manager. We have benefited from the help of 7 volunteers over the course of the year, under our internship programme. In November 2011 our long-serving Executive Director, Tom MacMillan, moved on to a new role at the Soil Association. Sue Dibb was appointed to replace Tom and took up the role at the beginning of January 2012.

Throughout 2011 we undertook a range of projects, advocacy and communications work. We wrote, edited or published 35 publications: six reports, two discussion papers, four submissions to parliamentary committees, one journal paper, twelve parliamentary briefings, four issues of Food Ethics magazine and six Business Forum reports. All of our publications are available via our website (www.foodethicscouncil.org). We also circulated twelve monthly e-newsletters, and received widespread coverage in the national and trade press. We held six Business Forum meetings, a major conference, two workshops, a roundtable event and a publication launch. Throughout the year we also held meetings with a range of stakeholders including MPs and civil servants.

Projects and Advocacy

Food and Fairness Inquiry

On 31st January 2011 we held the Food Justice conference, in conjunction with the New Economics Foundation, which marked the culmination of our Food and Fairness Inquiry. Over 100 participants took part, discussing the key messages from the Food Justice report, in plenary sessions and in six practical and issue-specific workshops. The project, report and conference were funded by the Joseph Rowntree Charitable Trust.

Beyond Business As Usual

In October 2010 we began work on ‘Beyond Business As Usual’, a two-year project funded by the Joseph Rowntree Charitable Trust. The project aims to identify ways for government and business to work together more effectively in pursuit of a fair, healthy and sustainable food system. The project will identify the main barriers that confront business in working more sustainably, and make recommendations for how government can help business to overcome those barriers.

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

REPORT OF THE DIRECTORS AND TRUSTEES – continued

During 2011 we held informal discussions with key stakeholders, supplemented by extensive research into the challenges confronting government and business. We focused in particular on five key areas of policy: climate-friendly diets; waste; employment; water scarcity; and innovation. This background work will provide the foundation for the second, ‘public-facing’ phase of the project during 2012, which will involve further stakeholder engagement, and culminate in the publication of a report in the Autumn.

Sustainable diets

In 2011 our ongoing work in partnership with WWF-UK (funded by the Esmée Fairbairn Foundation) focused on strengthening the political and retail business case for enabling people to eat more sustainably, including less but better meat. *A Square Meal: how encouraging greener eating fits the UK government’s ambitions for the environment, farming and the Big Society* was published in October 2011.

Together with the WWF Chief Executive, David Nussbaum, we took *A Square Meal’s* message to a small dinner that WWF hosted at the Labour Party conference in October. We also worked with NGOs, undertaking a literature review looking at strategies for campaigning on meat and dairy consumption.

The Food Issues Census

In 2011 a group of funders (JMG Foundation, Tubney Charitable Trust, A-Team Foundation, Organix Foundation, the Esmée Fairbairn Foundation and the Mark Leonard Trust) commissioned us to undertake a survey and analysis of UK civil society work on food and farming issues. The objective was to help provide an overview for funders of existing food work and identify priorities, as well as assisting NGOs. The results of this research, published as the *Food Issues Census: a survey of UK civil society*, was launched at an event in June 2011. Building on the *Food Issues Census*, in September 2011 we successfully bid to the Tubney Trust to scope and develop a Food Issues Forum to help broker effective campaign partnerships among NGOs. This work is due to begin in 2012.

Environmental labelling

In 2010 we undertook a commission from Defra on environmental labelling for food in conjunction with the University of Hertfordshire and the Policy Studies Institute. This study was published by Defra in the first quarter of 2011 (*Effective approaches to environmental labeling of food products – FO0419*). Over the remainder of the year we have presented the report’s findings to various organisations including Which? and an EU Food Law conference in Brussels.

Water project

In 2011 two final reports from the joint FEC project on water scarcity and stewardship with Spain's Fundacion Nueva Cultura del Agua (FNCA) were published as part of the European Union-funded CREPE project. These were: Food Ethics Council [2011] *Water scarcity and stewardship in southern Spain: summary paper* and CREPE [2011] *Water scarcity and its virtual export from Spain to the UK*. Co-operative Research on Environmental Problems in Europe.

Ethical advice to organic businesses in Wales

This project was convened in 2010, during which we developed a business ethics toolkit for (and funded by) Organic Centre Wales (OCW) – *Ethics: a toolkit for Welsh organic businesses*. We were asked to revise the toolkit and translate it into Welsh in time for the Soil Association conference in March 2011. We also ran a successful workshop on food ethics for organic businesses in Wales. Two more workshops were cancelled due to poor uptake, but we continued to work with OCW, including on an interactive quiz on food ethics for businesses to be displayed on their stand at the Royal Welsh Show.

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

REPORT OF THE DIRECTORS AND TRUSTEES – continued

Food security

We were commissioned by the Co-operative retailer to examine the strategic challenges and opportunities that food security poses to their business and policies over the next decade. We presented our final report to a stakeholder workshop in conjunction with The Co-operative in August.

Advocacy

We undertook a substantial amount of advocacy work during 2011, supported by funding from the Esmée Fairbairn Foundation to take the findings of our research about sustainable food systems to a wider audience.

Key issues included:

- ***Competition law and collaboration for sustainable food***

As part of a WWF-UK led initiative called Tasting the Future, we convened an ‘innovation group’ on barriers to collaboration and drafted a discussion paper on Competition Law and Collaboration for Sustainable Food, to contribute to this group’s discussions. Later on in the year we held a Business Forum meeting on the same theme, and produced a Business Forum report.

- ***Food speculation***

In the spring of 2011 we published a discussion paper, *The ethics of speculating on food* written by FEC research associate Chris Sutton. The paper argues that the part speculation plays in food price volatility is likely to remain uncertain because of the complexity of the systems involved, and explores how policy makers can make good decisions in spite of this uncertainty. One response would be to adopt a precautionary approach, which would place the burden of proof onto speculators to demonstrate beyond reasonable doubt that their actions were harmless. Subsequently we have been collaborating with the World Development Movement (WDM) and exploring options for parliamentary advocacy.

- ***Groceries Code Adjudicator***

The government’s proposals for establishing a Groceries Code Adjudicator (GCA) provided a focus for much of our advocacy activity, particularly our engagement with MPs. We discussed the GCA in separate meetings with Roger Williams MP, a member of the Liberal Democrats’ agriculture team, Labour MP Chi Onwurah, and Andrew George MP, the Co-chair of the Liberal Democrats’ parliamentary policy committee on DECC and Defra, and also chair of the cross-sector ‘Grocery Market Action Group’ (GMAG). In addition, we worked closely with an NGO sub-group of the GMAG – other members were the Fairtrade Foundation, ActionAid, Friends of the Earth, War on Want, and Traidcraft – in order to hopefully ensure that the GCA Bill is included in the May 2012 Queen’s Speech, and that the GCA will have the necessary powers to perform its role effectively.

- ***Briefings***

During 2011 we published twelve briefings on the issues of water scarcity; sustainable livestock; environmental labelling; the Foresight report; ‘nudge’ politics; employment; the Groceries Code Adjudicator; local food and climate change; valuing nature; barriers to business collaboration; food speculation; and the Food Issues Census. These were circulated to 200 MPs and published on our website.

- ***Public speaking and meetings***

FEC Executive Director Tom MacMillan and Policy Director Sean Roberts were involved in a number of public events, and speaking opportunities. We took part in a roundtable discussion arranged by Labour’s lead on agriculture, Willie Bain, to inform Labour’s policy review. We also met with Baroness Linklater, who is leading the Liberal Democrats’ food policy review and with Robert Pederson, of the European Public Health and Agriculture Consortium, about plans for EU-level advocacy.

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(A Company Limited by Guarantee)
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REPORT OF THE DIRECTORS AND TRUSTEES – continued

- ***Submissions to parliament***

We submitted evidence to the House of Commons Environmental Audit Committee's Inquiry into Sustainable Food, and in December were invited to give oral evidence. During the year we also made submissions to the Environment, Food and Rural Affairs committee on farming regulation, the Groceries Code Adjudicator, and the Natural Environment white paper; to the Environmental Audit Committee on sustainable food; and to the Business, Innovation and Skills committee, on the Groceries Code Adjudicator.

Food Ethics Magazine

Our quarterly magazine, *Food Ethics* continued to provide cutting-edge comment and debate on ethical issues in food and farming. The four themes the magazine covered in 2011 were:

- Nudge politics: changing government, changing lives
- Banking biodiversity: valuing or devaluing nature
- Food futures: utopia, dystopia or myopia?
- Cash for food: freedom or dependency?

Business Forum

Our Business Forum meetings, held every two months over dinner at a London restaurant have continued to be successful. Membership increased from 34 to 41 this year, as more senior food sector executives realise the importance of understanding how ethical issues relate to their business. The Business Forum promotes good corporate citizenship by fostering a community of interest in food ethics. The six meetings in 2011 focused on: the Foresight report on food security; competition and collaboration in food businesses; biodiversity and ecosystem services; motivating sustainable behaviour; a review of red tape in farming, and the economics of resource scarcity.

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.

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REPORT OF THE DIRECTORS AND TRUSTEES – continued

Results

The net incoming resources for the year amounted to £948 (2011: £6,035). Net incomings of £9,986 (2011: outgoings £(5,978)) are to be used on restricted projects which now total £9,349 (2011: £(637)). There is a net deficit for the year of £(9,038) (2011: surplus £12,013) on general reserves which now stand at £10,659 (2011: £19,697).

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.

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 18th April 2012 and signed on their behalf by:

.....
Helen Browning: 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 2012

	Notes	Unrestricted Funds £	Restricted Funds £	2012 Total £	2011 Total £
Incoming Resources					
Incoming resources from generated funds:					
Donated Services - Volunteers Time	2	12,713	-	12,713	27,955
Bank Interest		56	-	56	40
Charitable Grants	2	1,050	97,884	98,934	85,617
Incoming resources from charitable activities:					
Delegate fees, subscriptions, report sales and other primary purpose trading		<u>70,367</u>	-	<u>70,367</u>	<u>122,420</u>
Total Incoming Resources		<u>84,186</u>	<u>97,884</u>	<u>182,070</u>	<u>236,032</u>
Resources Expended					
Charitable activities		65,348	111,134	176,482	226,582
Governance costs		<u>4,640</u>	-	<u>4,640</u>	<u>3,415</u>
Total Resources Expended	3	<u>69,988</u>	<u>111,134</u>	<u>181,122</u>	<u>229,997</u>
Net (Outgoing)/Incoming Resources before transfers	4	14,198	(13,250)	948	6,035
Transfers Between Funds		<u>(23,236)</u>	<u>23,236</u>	-	-
Net Movements in Funds		(9,038)	9,986	948	6,035
Fund Balances brought forward		<u>19,697</u>	<u>(637)</u>	<u>19,060</u>	<u>13,025</u>
Fund Balances carried forward	11	<u>10,659</u>	<u>9,349</u>	<u>20,008</u>	<u>19,060</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 11 to 16 form part of these financial statements

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

BALANCE SHEET
AS AT 4 JANUARY 2012

	Notes	2012		2011	
		£	£	£	£
Fixed Assets					
Tangible Assets	8		462		377
Current Assets					
Debtors	9		2,273		450
Cash at Bank and in hand			<u>104,755</u>		<u>20,249</u>
			107,028		20,699
Creditors: Amounts falling due within one year	10		<u>87,482</u>		<u>2,016</u>
Net Current Assets			<u>19,546</u>		<u>18,683</u>
Net Assets			<u>20,008</u>		<u>19,060</u>
Funds					
Restricted Funds			9,349		(637)
Unrestricted Funds			<u>10,659</u>		<u>19,697</u>
Total Funds	12		<u>20,008</u>		<u>19,060</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 2012. 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 18th April 2012 and signed on their behalf by:

.....
Helen Browning: Chair

The notes on page 11 to 16 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 2012

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 2011 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
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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)
Company Number: 3901671

NOTES TO THE FINANCIAL STATEMENTS – continued

2 INCOMING RESOURCES

Grants Received	Unrestricted	Restricted	2012	2011
	£	£	Total	Total
			£	£
Project Funds				
JRCT	-	50,000	50,000	28,617
Naturesave Trust	-	-	-	1,000
Tubney Charitable Trust	46,332	-	46,332	-
Polden Puckham Charitable Foundation	-	-	-	6,000
The Ecology Trust	-	22,879	22,879	-
Esmée Fairbairn Foundation	-	50,000	50,000	50,000
Other	<u>1,050</u>	<u>-</u>	<u>1,050</u>	<u>-</u>
	47,382	122,879	170,261	85,617
Less: Received in the current year but deferred until next year	(46,332)	(24,995)	(71,327)	-
Add: Received last year but deferred until the current year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,050</u>	<u>97,884</u>	<u>98,934</u>	<u>85,617</u>

Donated Resources- Volunteer Time

Donated services being time spent by volunteers engaged in Research, Communication, Design and Development 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 1,290 (2011: 3,014) by 7 (2011: 13) volunteers amounting to the equivalent of 0.9 (2011: 2.4) 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	Government Leadership	Water Project	Food Issues	Advocacy	Food Strategy	Total Restricted	Unrestricted	2012 Total £	2011 Total £
Staff Costs	17,749	-	5,830	45,768	-	69,347	61,440	130,787	153,792
Expenses	963	-	155	1,074	-	2,192	4,495	6,687	8,599
Premises	-	-	-	-	-	-	6,488	6,488	6,128
Office Costs	-	-	249	-	16	265	2,736	3,001	5,158
Activity Costs	-	-	2,857	1,708	1,030	5,595	22,526	28,121	50,995
Other	-	-	-	27	-	27	840	867	753
Depreciation	-	-	-	-	-	-	531	531	1,157
Allocated Overheads	<u>5,871</u>	<u>-</u>	<u>3,178</u>	<u>24,659</u>	<u>-</u>	<u>33,708</u>	<u>(33,708)</u>	<u>-</u>	<u>-</u>
	<u><u>24,583</u></u>	<u><u>-</u></u>	<u><u>12,269</u></u>	<u><u>73,236</u></u>	<u><u>1,046</u></u>	<u><u>111,134</u></u>	<u><u>65,348</u></u>	<u><u>176,482</u></u>	<u><u>226,582</u></u>
Governance Costs									
Independent Examination								2,052	2,075
Accountancy								1,290	300
Trustees Expenses								1,283	1,025
Other								<u>15</u>	<u>15</u>
								<u><u>4,640</u></u>	<u><u>3,415</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS - continued

4 NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR

	2012	2011
	£	£
This is stated after charging:		
Depreciation	531	1,157
Accountancy	1,290	300
Independent Examiner's Fee	<u>2,052</u>	<u>2,075</u>

5 STAFF COSTS

	2012	2011
	£	£
Staff costs were as follows:		
Donated services - Volunteer Time	12,713	27,955
Salaries	104,451	114,167
Social Security costs	12,063	11,495
Training	810	175
Recruitment	<u>750</u>	-
	<u>130,787</u>	<u>153,792</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>3.5</u>	<u>3.3</u>

6 TRUSTEES

No Trustee received any remuneration during this or last year.

Out of pocket expenses were reimbursed to Trustees as follows:

	2012	2012	2011	2011
	Number	£	Number	£
Travel and Subsistence	<u>5</u>	<u>1,283</u>	<u>5</u>	<u>1,025</u>

7 TAXATION

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

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

NOTES TO THE FINANCIAL STATEMENTS - continued

8 TANGIBLE FIXED ASSETS

	Fixtures, Fittings and equipment £
Cost	
At 5 January 2011	9,808
Additions	<u>616</u>
At 4 January 2012	<u><u>10,424</u></u>
Depreciation	
At 5 January 2011	9,431
Charge for the year	<u>531</u>
At 4 January 2012	<u><u>9,962</u></u>
Net Book Value	
At 4 January 2012	<u><u>462</u></u>
At 4 January 2011	<u><u>377</u></u>

9 DEBTORS

	2012	2011
	£	£
Prepayment and accrued income	<u>2,273</u>	<u>450</u>

10 CREDITORS – Amounts falling due within one year

	2012	2011
	£	£
Social Security and Other Taxes	1,778	-
Deferred Income	81,327	-
Accruals	<u>4,377</u>	<u>2,016</u>
	<u><u>87,482</u></u>	<u><u>2,016</u></u>

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	2012 Total
	£	£	£
Tangible Fixed Assets	462	-	462
Net Current Assets	<u>10,197</u>	<u>9,349</u>	<u>19,546</u>
Net Assets	<u><u>10,659</u></u>	<u><u>9,349</u></u>	<u><u>20,008</u></u>

FOOD ETHICS COUNCIL
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NOTES TO THE FINANCIAL STATEMENTS - continued

12 MOVEMENT IN FUNDS

	Balance 05.01.11 £	Incoming Resources £	Outgoing £	Transfer £	Balance 04.01.12 £
Restricted Funds					
Water Project	(4,315)	-	-	-	(4,315)
Advocacy	-	50,000	(73,236)	23,236	-
Food Strategy	1,911	-	(1,046)	-	865
Government Leadership	1,767	25,005	(24,583)	-	2,189
Food Issues	<u>-</u>	<u>22,879</u>	<u>(12,269)</u>	<u>-</u>	<u>10,610</u>
	(637)	97,884	(111,134)	23,236	9,349
Unrestricted Funds					
General Fund	<u>19,697</u>	<u>84,186</u>	<u>(69,988)</u>	<u>(23,236)</u>	<u>10,659</u>
	<u>19,060</u>	<u>182,070</u>	<u>(181,122)</u>	<u>-</u>	<u>20,008</u>

Water Project – Further funds are due in 2012/13 to cover the overspend.

Advocacy Programme – In 2011 the aim was for the Food Ethics Council to move to a full cost recovery model, and restricted funds from previous years to have transfers from unrestricted reserves. This is still an aspiration, and has not yet been achieved. With the advocacy programme we have been unable to fully recover our overhead costs.

FOOD ETHICS COUNCIL
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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 2012, which are set out on pages 9 to 16.

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 144 of the Charities Act 2011 (the 2011 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 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 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: