



CEFAS Accounts

For the year ended 31 March 2001

Foreword to the Accounts

Year Ended 31 March 2001

Background

CEFAS was established on 1 April 1997 as an Executive Agency of MAFF. It is fully accountable to Parliament through Ministers. CEFAS currently operates from four sites; Lowestoft, Weymouth, Burnham, and Whitehaven.

Aims and Objectives

CEFAS aims and objectives are given on pages 4 and 5.

Principal Activities

The Agency's principal activities are to deliver an efficient service of specialist scientific and technical support, consultancy and advice in the fields of fisheries management, environment protection and aquaculture. The Chief Executive's Statement on pages 6-7, and the section on delivering science pages 8-19, contain further information on the business activities of CEFAS.

Pension Liabilities

Pension liabilities are accrued in total in the year in which the liability arises.

Pension benefits are provided through the statutory Principal Civil Service Pension Scheme (PCSPS). This provides benefits on a 'final salary' basis at a normal retirement age of 60, as detailed in note 4 of the accounts.

Accounts direction

The accounts have been prepared under a direction issued by the Treasury in accordance with section 5(1) of the Exchequer and Audit Departments Act 1921.

CEFAS History and Statutory Background

CEFAS is an Executive Agency of MAFF that was created on 1 April 1997 from the former Directorate of Fisheries Research (DFR) under the Next Steps programme. The status and legal framework is laid out in the CEFAS Framework Document. Its origins date from 1902 when a research station was established to investigate declining fish stocks as part of the UK contribution to the newly created International Council for the Exploration of the Sea (ICES).

Management

The Minister of Agriculture, Fisheries and Food with overall responsibility for CEFAS during the year was The Right Honourable Nick Brown MP.

The Ownership Board's role and composition is given on page 44. External members of the Agency's Ownership Board are appointed by the invitation of the Minister, for a three-year term. Other members of the Ownership Board are appointed directly by the Permanent Secretary on an open-ended basis.

The Chief Executive of CEFAS is Dr Peter Greig-Smith. The composition of the CEFAS Management Board is given on page 44. The Chief Executive was appointed through an open competition, and holds the post for a five-year term. Members of the Management Board are appointed directly by the Chief Executive on an open-ended basis.

The salaries of the Management Board are determined by the CEFAS Performance Related Pay Scheme. The salary of the Chief Executive is performance related and reviewed by the Ownership Board against the key ministerial targets and milestones as agreed at the beginning of the year.

Details of the remuneration are provided in note 4 to the accounts.

Formation of DEFRA

In June 2001 the formation of a Department for Environment, Food and Rural Affairs (DEFRA) was announced which will encompass MAFF together with other relevant bodies. Existing CEFAS customers, previously in DETR, will be transferred to the new Department.

Employment of Disabled Persons

CEFAS follows the Civil Service Code of Practice on the Employment of Disabled People. The Agency's policy is to recruit, train and provide career development facilities to disabled persons on the same basis as for other staff and to make every effort to retrain and assist any individuals disabled in the course of their employment.

Equal Opportunities and Employee involvement

CEFAS follows an equal opportunities policy for fair and open recruitment of permanent staff. Regular exchanges of information with staff take place through formal and informal consultative arrangements at Agency and local level. Such exchanges include Agency objectives, plans and progress and matters relating to the interests of staff.

Payment of Suppliers

CEFAS prompt payment policy is described in note 21 to the accounts.

Auditors

Comptroller and Auditor General,
National Audit Office,
157 - 197 Buckingham Palace Road,
Victoria, London SW1W 9SP

Signed: 

Peter Greig-Smith
Chief Executive

Date: 5 July 2001.....

Statement of Accounting Officers' Responsibilities

1. Under the Government Resources and Accounts Act 2000 [in the interim: Under Section 5 of the Exchequer and Audit Departments Act 1921] the Agency is required to prepare resource accounts for each financial year, in conformity with a Treasury direction, detailing the resources acquired, held, or disposed of during the year and the use of resources by the Agency during the year.
2. The resource accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Agency, income and expenditure, recognised gains and losses and cash flows for the financial year.
3. The Ministry of Agriculture, Fisheries and Food has appointed the Chief Executive of the Agency as Accounting Officer of the Agency with overall responsibility for preparing the Agency's accounts and for transmitting them to the Comptroller and Auditor General.
4. In preparing the accounts the Accounting Officer is required to comply with the Resource Accounting Manual prepared by the Treasury, and in particular to:
 - Observe the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
 - make judgments and estimates on a reasonable basis;
 - state whether applicable accounting standards, as set out in the Resource Accounting Manual, have been followed and disclose and explain any material departures in the accounts;
 - prepare the accounts on a going concern basis.
5. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Agency's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in Government Accounting.

Statement on internal financial control

This statement is given in respect of the Resource Account for the Centre for Environment, Fisheries and Aquaculture Science. As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources concerned.

The system can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal financial control is based on a framework of regular management information, administrative procedures (including segregation of duties), management supervision and a system of delegation and accountability. In particular it includes:

- Comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Management Board;
- Regular review by the Management Board of periodic and annual financial reports which indicate financial performance against the forecasts;
- Setting targets to measure financial and other performance;
- The preparation of regular financial reports which indicate actual expenditure against the forecasts;
- Clearly defined capital investment control guidelines;
- Formal project management disciplines, as appropriate.

The Centre for Environment, Fisheries and Aquaculture Science Agency has an internal audit unit, which operates to standards defined in the Government Internal Audit Manual. The work of the internal audit unit is informed by an analysis of the risk to which the body is exposed, and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed and approved by the Management Board. At least annually, the Head of Internal Audit (HIA) provides me with a report on internal audit activity in the Agency. The report includes the HIA's independent opinion on the adequacy and effectiveness of the Agency's system on internal financial control.

My review of the effectiveness of the system of internal financial control is informed by the work of the internal auditors, and the executive managers within the Agency who have responsibility for the development and maintenance of the financial control framework, and comments made by the external auditors in their management letter and other reports.

Implementation of the Turnbull Report

As Accounting Officer, I am aware of the recommendations of the Turnbull Committee and am taking reasonable steps to comply with the Treasury's requirement for a statement of internal control to be prepared for the year ended 31 March 2002, in accordance with DAO (GEN) 13/2000.

Signed 
 Chief Executive

Date 5 July 2001

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the financial statements under the Exchequer and Audit Departments Act 1921. These financial statements comprise the Operating Cost Statement, the Statement of Recognised Gains and Losses, Balance Sheet, Cash Flow Statement and related notes, and have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out in Note 1 to the financial statement.

Respective responsibilities of the Agency, the Chief Executive and Auditors

As described in the Statement of Agency's and Chief Executive's Responsibilities, the Agency and Chief Executive are responsible for the preparation of the financial statements in accordance with the Exchequer and Audit Departments Act 1921 and directions made thereunder by the Treasury and for ensuring the regularity of financial transactions. The Chief Executive is also responsible for the preparation of the other contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and guided by the Auditing Practices Board and the auditing profession's ethical guidance.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Exchequer and Audit Departments Act 1921 and Treasury directions made thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Agency has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on the system of internal financial control reflects the Agency's compliance with Treasury's guidance 'Corporate governance: statement on the system of internal financial control'. I report if it does not meet the requirements specified by the Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements.

Basis of opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Agency and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Agency's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform with the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- The financial statements give a true and fair view of the state of affairs of CEFAS at 31 March 2001 and of the deficit, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Exchequer and Audit Departments Act 1921 and directions made thereunder by the Treasury; and
- In all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn
Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP

Date 12 July 2001

Income and Expenditure Account for the year ended 31 March 2001

	Notes	2000/01 £000	1999/00 £000
Turnover	2 & 3	29,013	28,281
Cost of Sales	4 & 5	(27,476)	(24,492)
Operating Surplus		<u>1,537</u>	<u>3,789</u>
(Loss) on Disposal of Fixed Assets		(35)	(159)
Notional Interest Payable	22	(2,153)	(2,264)
Write Down of Conwy		0	(1,609)
Net (Deficit)		<u>(651)</u>	<u>(243)</u>
Percentage Total Cost Recovery	23	<u>98</u>	<u>105</u>

Statement of Recognised Gains and Losses for the year ended 31 March 2001

	2000/01 £000	1999/00 £000
(Loss) for the Year	(651)	(243)
Net (Loss) on Revaluation of Fixed Assets	(331)	(429)
Total Losses recognised since last report	<u>(982)</u>	<u>(672)</u>

Balance Sheet

as at 31 March 2001

	Notes	2000/01		1999/00
		£000	£000	£000
Fixed Assets				
Tangible Fixed Assets	7	<u>36,211</u>		<u>35,120</u>
Total Fixed Assets			36,211	35,120
Current Assets				
Stock		82		136
Work in progress	8	623		657
Debtors	9	2,320		5,433
Cash at Bank and in hand	15	<u>4,491</u>		<u>6,823</u>
Total Current Assets		7,516		13,049
Creditors: Amounts falling due within one year	10	(2,855)		(1,559)
Net Current Assets			<u>4,661</u>	<u>11,490</u>
Total Assets Less Current Liabilities			<u>40,872</u>	<u>46,610</u>
Creditors: Amounts falling due after more than one year	10		(43)	0
Provisions for liabilities & charges	11		(747)	(262)
TOTAL ASSETS LESS LIABILITIES			<u>40,082</u>	<u>46,348</u>
RESERVES				
General Fund			35,058	40,587
Revaluation Reserve			5,675	6,004
Income & Expenditure Account			(651)	(243)
Total Reserves as at 31 March 2001	12		<u>40,082</u>	<u>46,348</u>

Signed.....  Chief Executive and Agency Accounting Officer

Date..... 5 July 2001

Cash Flow Statement

for the year ended 31 March 2001

	Notes	2000/01		1999/00	
		£000	£000	£000	£000
Cash Flow					
Net Cash inflow/(outflow) from operating activities	13		1,679		7,718
Net Capital expenditure & financial investment			(4,011)		(1,507)
Increase/ (Decrease) in cash			(2,332)		6,211
Reconciliation of Operating Costs to Operating Cash Flows					
Net Operating Cost			(651)		(243)
Adjustments to working capital other than cash		(3,986)		(610)	
Adjustment for non cash transactions		6,316		8,571	
			2,330		7,961
Net cash inflow/(outflow) from Operating Activities			1,679		7,718
Analysis of Capital Expenditure and Financial Investment					
Purchase of tangible fixed assets		(4,037)		(1,527)	
Proceeds of disposal of tangible fixed assets		26		20	
Net cash inflow/(outflow) from investing activities			(4,011)		(1,507)
Cash Requirement	14		(2,332)		6,211

Notes to the Accounts

NOTE 1 ■ Statement of Accounting Policies

1.1 Statement of Accounting Policies

These financial statements have been prepared in accordance with the Resource Accounting Manual issued by HM Treasury. The particular accounting policies adopted by CEFAS are described below. They have been applied consistently in dealing with items that are considered material in relation to the accounts.

1.2 Accounting Convention

These accounts have been prepared under the historical cost convention, modified to include the revaluation of fixed assets at their value to CEFAS by reference to their current costs.

1.3 Tangible Fixed Assets

Asset costs are modified annually by the use of indices for current cost accounting as supplied by the Office for National Statistics.

1.3.1 Land and Buildings

Land and Buildings are professionally valued at intervals of no greater than 5 years. The Land and Buildings were re-valued on 30 June 2000 by the Valuation Office Agency, 50 Frederick Street, Edinburgh. The assets were re-valued on an existing use basis. The lives given to the buildings fall in the range of 4-41 years.

The title to the freehold land and buildings occupied by CEFAS is held by MAFF.

1.3.2 Other Fixed Assets

The capitalisation threshold for fixed assets is £3,000. Asset pools exist for items of IT Equipment with individual values ranging from £500 to £3000.

1.3.3 Depreciation of Tangible Fixed Assets

Depreciation is provided on all fixed assets, with the exception of Land, at rates calculated to write off the valuation of each asset evenly over its expected useful life.

Asset lives are as follows:

IT Equipment	3-6 Years
Scientific and Research Equipment	5-10 Years
Vessels	20 Years
Fisheries Equipment	5-10 Years
Vehicles	6-8 Years
Office Equipment	6 Years

1.3.4 Donated Assets

CEFAS holds no Donated Assets.

1.3.5 Investments

CEFAS holds no Investments.

1.3.6 Stocks and Work in Progress

Stocks and Work in Progress are valued at the lower of cost or net realisable value.

1.3.7 Research and Development

Expenditure on Research and Development (Seedcorn Projects) is treated as an operating cost in the year in which it is incurred and taken to the Income and Expenditure Account. Fixed assets, which are acquired for use in Research and Development, are depreciated over their useful economic life.

1.3.8 Government Grants

Grants are recognised in the same period as their related expenditure; grants towards fixed asset purchases are treated as a deferred credit and recognised as income over the useful life of the asset.

2. Operating Income

Operating Income is shown net of value added tax and comprises fees and charges for services provided to Core MAFF, external customers, other government agencies and public sector repayment work receipts from the European Union.

3. Capital Charge

A notional charge, reflecting the cost of capital used by CEFAS, is included in the Income and Expenditure Account. The charge is calculated at the government standard rate of 6% on the average value of all assets, less liabilities and excluding donated assets.

4. Taxation

No taxation is payable on the surplus generated by CEFAS.

CEFAS is included under the VAT registration of MAFF. Irrecoverable VAT, excluding that on capital purchases, is charged to the Income and Expenditure Account in the year in which it is incurred.

5. Foreign Exchange

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction, all differences being taken to the Income and Expenditure Account.

6. Notional Charges

In addition to the capital charge, the following notional costs borne on the Income and Expenditure Account are charged to the General Fund:

- MAFF Maintenance Charges
- MAFF Central Overhead Charges
- Redundancy
- Interest
- Internal Audit Fees
- External Audit Fees

7. Insurance

CEFAS, in common with other Government bodies, does not insure the majority of its assets. Losses and Compensations are charged to the Income and Expenditure Account.

8. Pensions

The provisions of the Principal Civil Service Pension Scheme (PCSPS) cover present and past employees; which is non-contributory and unfunded. Although the scheme is a defined benefit scheme, liability for payment of future benefits is a charge to the PCSPS. CEFAS meets the cost of pension cover provided for the staff they employ by payment of charges calculated on an accruing basis. There is a separate scheme statement for the PCSPS as a whole.

9. Early Departure Costs

CEFAS is required to meet the additional cost of benefits beyond the normal PCSPS benefits in respect of employees who retire early. CEFAS provides in full for this cost when the early retirement programme has been announced and is binding on CEFAS. CEFAS may, in certain circumstances, settle some or all of its liability in advance by making a payment to the Paymaster Generals Account at the Bank of England for the credit of the Civil Superannuation Vote. The amount provided is shown net of any such payments.

10. Going Concern

These accounts have been prepared on the basis that CEFAS is a going concern.

NOTE 2 ■ UK Government Income

	2000/01	1999/00
	£000	£000
MAFF	21,963	22,706
MAFF Agencies	15	24
Other Government Depts	4,503	1,578
Total UK Government Income	26,481	24,308

Following a transfer from MAFF the income from the Food Standards Agency of £2,706k (1999/00 £1,483k) is now included in Other Government Departments. Previously this was reported as MAFF income.

NOTE 3 ■ Non UK Government Income

	2000/01	1999/00
	£000	£000
UK Public Sector	195	113
UK Private Sector	473	1,072
EU	1,572	2,352
Non United Kingdom	292	436
Total Non UK Government Income	2,532	3,973

NOTE 4 ■ Staff Related Expenditure
(a) Staff Costs

	2000/01	1999/00
	£000	£000
Wages and Salaries	11,633	10,392
Social Security Costs	850	769
Superannuation	1,385	1,320
Total Staff Expenditure	13,868	12,481

The 2000/01 results include £147k relating to wages and salaries in respect of 1999/00. In accordance with Financial Reporting Standard (FRS) 3 the prior year figures have not been restated.

(b) The average number of persons employed by CEFAS during the year was:

	2000/01	1999/00
	No.	No.
Scientific Research & Development	407	387
Management/Administration	127	108
Marketing	3	3
Total	537	498

NOTE 4 ■ Staff Related Expenditure (continued)
c) Board Remuneration

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

Management Board Member	Age	Salary banding including performance pay £000	Real Increase in Pension at 60 £000	Total Accrued Pension at 60 £000
Chief Executive Dr P Greig-Smith	47	65-70	0-2.5	10-15
Deputy to the Chief Executive Dr J Horwood	52	55-60	0-2.5	20-25
Director of Support Services Dr V Bye	58	45-50	0-2.5	20-25
Science Director Dr M Waldock	46	40-45	0-2.5	10-15
Science Director Dr S Malcolm	46	35-40	0-2.5	5-10
Finance Director M Farrar (appointed 31 July 2000)	39	30-35	0	0
Commercial Director B Robinson	48	45-50	0-2.5	15-20
Director of Staff Development D Carter	41	20-25	0-2.5	1-5

Pension benefits are provided through the Principal Civil Service Pension Scheme (PCSPS). This is a statutory scheme which provides benefits on a 'final salary' basis at a normal retirement age of 60. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to 3 years' pension is payable on retirement. Members pay contributions of 1.5 percent of pensionable earnings. Pensions increase in payment in line with the Retail Prices Index. On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service the scheme pays a lump sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

Salaries include gross salaries, performance bonuses payable, reserved rights to London Weighting or London allowances, recruitment and retention allowances and private office allowances. It does not include the estimated monetary value of benefits in kind.

NOTE 4 ■ Staff Related Expenditure (continued)**(d) High Earners**

The following numbers of employees received remuneration, exclusive of employer's contributions to national insurance and superannuation within the following ranges:

Salary Band	2000/01 No.	1999/00 No.
40,000-44,999	11	7
45,000-49,999	7	3
50,000-54,999	3	3
55,000-59,999	2	1
Total	23	14

(e) Superannuation Scheme

The employees of CEFAS are Civil Servants to whom the conditions of the Superannuation Acts 1965 and 1972 and subsequent amendments apply. The 2000/01 contributions of £1,384k (1999/00 £1,320k) were calculated at rates determined from time to time by the Government Actuary and advised by the Treasury.

These rates were in the range 12-18.5% of pensionable pay.

(f) Early Departure Costs

Early departure costs in 2000/01 amounted to £340k (1999/00 £436k), exclusive of employer's contributions to national insurance and superannuation, for lieu of notice and compensation for loss of pension.

NOTE 5 ■ Other Expenditure

	2000/01 £000	1999/00 £000
Laboratory	2,984	3,021
Depreciation	2,554	2,496
Vessels & Charters	1,138	677
Accommodation	1,137	1,113
Rent & Rates	402	412
Vehicles	214	153
Audit	27	27
External Auditors Other Payments	1	3
Hospitality	12	12
Travel & Subsistence	781	591
Training	282	191
IT Costs	639	558
Insurance/Losses	46	104
MAFF Management Overheads	416	441
MAFF Estates Charges	1,661	1,131
Telecommunications	214	152
Bad Debt Provision	(1)	29
Losses on Revaluation	3	8
Exchange Losses/Gains	1	1
Early Departure and Redundancy Costs	340	436
Other Expenditure	757	455
Total Expenditure	13,608	12,011

NOTE 6 ■ Segmental Report

	2000/01			1999/00		
	Governmental Bodies £000	Other £000	Total £000	Governmental Bodies £000	Other £000	Total £000
Turnover	26,481	2,532	29,013	24,308	3,973	28,281
Cost Of Sales	(26,858)	(2,806)	(29,664)	(25,302)	(3,222)	(28,524)
Surplus/(Loss) for the Year	(377)	(274)	(651)	(994)	751	(243)
Return on Capital Employed	5%	4%	5%	6%	16%	8%

CEFAS is required to make a 6% return on all government income as part of its financial performance targets.

The 2000/01 percentage return has been reduced by 1% as a result of transactions relating to work-in-progress (£225k) and staff related expenditure (£147k), which related to but had not been included in 1999/00 accounts. Under the provision of Financial Reporting Standard (FRS) 3 these adjustments did not require restatement of the prior year figures.

These figures are produced in accordance with HM Treasury Fees and Charges Guidance.

NOTE 7 ■ Tangible Fixed Assets

	Land	Buildings	Vessels	Information Technology	Scientific Equip	General Equip	Vehicles	Assets in Course of Construction	Total
Cost or Valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000
As at 1 April 2000	1,002	28,997	5,052	2,318	6,214	482	369	967	45,401
Revaluation	(28)	(5,981)	0	5	38	5	4	0	(5,957)
Indexation	37	430	86	49	49	6	(12)	0	645
Additions	0	350	0	425	764	12	21	2,465	4,037
Transfers	0	786	0	(6)	(177)	(102)	(1)	(500)	0
Disposals	0	0	0	(78)	(101)	(53)	(72)	0	(304)
As at 31 March 2001	1,011	24,582	5,138	2,713	6,787	350	309	2,932	43,822
Depreciation									
As at 1 April 2000	0	(4,624)	(510)	(1,525)	(3,189)	(217)	(216)	0	(10,281)
Revaluation	0	5,016	0	0	0	0	0	0	5,016
Indexation	0	0	(9)	(12)	(17)	(1)	4	0	(35)
Provided in Year	0	(1,088)	(257)	(465)	(643)	(67)	(34)	0	(2,554)
Transfers	0	(175)	0	5	106	63	1	0	0
Disposals	0	0	0	64	78	40	61	0	243
As at 31 March 2001	0	(871)	(776)	(1,933)	(3,665)	(182)	(184)	0	(7,611)
Net Book Value									
At 1 April 2000	1,002	24,373	4,542	793	3,025	265	153	967	35,120
At 31 March 2001	1,011	23,711	4,362	780	3,122	168	125	2,932	36,211

Of Assets in the Course of Construction, £2,881k refer to the construction of a new Research Vessel.

Land and Buildings due to be valued in the year were valued on 30 June 2000 on the basis of existing use by the Valuation Office Agency, 50 Fredrick Street, Edinburgh.

Land and Buildings at Conwy are surplus to requirements and held at a value of £250k.

NOTE 8 ■ Work in Progress

	As at 31 March 2001 £000	As at 31 March 2000 £000
United Kingdom	253	323
European Union	355	317
Other	15	17
Total Work In Progress	623	657

The comparative figures at 31 March 2000 for European Union business included an overstatement of £225k which related to a prior period which, in accordance with Financial Reporting Standard (FRS) 3, did not require restatement of the accounts.

NOTE 9 ■ Debtors

	2000/01 £000	1999/00 £000
Amounts falling due within one year:		
Trade Debtors	935	630
Provision for Bad Debts	(98)	(99)
VAT	128	91
MAFF	891	4,144
Prepayments	281	213
Sundry Debtors	183	454
Total Debtors	2,320	5,433

NOTE 10 ■ Creditors

	2000/01 £000	1999/00 £000
Amounts falling due within one year:		
Trade Creditors	1,055	313
Wages control	0	224
MAFF Creditor	940	186
Other Creditors	64	164
Accruals	620	441
Deferred Income	176	231
	2,855	1,559
Amounts falling due after more than one year:		
Deferred income: Grants not yet credited to income	43	0
Total Creditors	2,898	1,559

NOTE 11 ■ Provisions for Liabilities and Charges

	Early Retirement and Pension Commitments £000	Pay Award £000	Total £000
Balance as at 1 April 2000	262	0	262
Increase in provision	317	168	485
Balance as at 31 March 2001	579	168	747

NOTE 12 ■ Movement on Reserves

	General Fund £000	Revaluation Reserve £000	Total £000
As at 1 April 2000	40,344	6,004	46,348
Notional Charges	2,104	0	2,104
Notional Interest	2,153	0	2,153
Revaluation	0	(329)	(329)
Income & Expenditure Account	(651)	0	(651)
Transfer to MAFF	(9,543)	0	(9,543)
Balance as at 31 March 2001	34,407	5,675	40,082

NOTE 13 ■ Reconciliation of Net Operating Cost to Net Cash Flow from Operating Activities

	2000/01	1999/00
	£000	£000
Net Operating Cost for the year	(651)	(243)
Adjustment for non cash transactions		
Depreciation	2,554	2,496
Notional Charges	3,407	3,863
Loss on disposal of fixed assets	35	159
Early retirement Liability	317	436
Revaluation losses	3	1,617
Total	6,316	8,571
Adjustments for movements in working capital other than cash		
(Increase)/Decrease in Stocks/Work in progress	88	(405)
Decrease in Debtors	3,113	478
Increase in Liabilities	168	0
Increase/(Decrease) in Creditors	1,337	(683)
Repayment to MAFF	(8,692)	0
Total	(3,986)	(610)
Net Cash Inflow from Operating Activities	1,679	7,718

NOTE 14 ■ Analysis of Changes in Cash During the Year

	2000/01	1999/00
	£000	£000
Balance as at 1st April 2000	6,823	612
Net Cash Flow	(2,332)	6,211
Balance as at 31 March 2001	4,491	6,823

NOTE 15 ■ Cash at Bank and in hand

	2000/01 £000	1999/00 £000
Barclays	386	85
Paymaster Generals Office	4,083	6,720
Other	22	18
Total Cash at Bank and in hand	4,491	6,823

NOTE 16 ■ Capital Commitments

CEFAS has Capital Commitments totalling £21,774k, (1999/00 £357k). Of this £21,760k relates to the purchase of a new Research Vessel.

NOTE 17 ■ Post Balance Sheet Events

In June 2001 the formation of a Department for Environment, Food and Rural Affairs (DEFRA) was announced which will encompass MAFF together with other relevant bodies. Existing CEFAS customers, previously in DETR, will be transferred to the new Department.

NOTE 18 ■ Contingent Liabilities

There are no contingent liabilities to report.

NOTE 19 ■ Operating Leases

Rentals under Operating Leases are charged to the Income and Expenditure Account on a straight line basis over the term of the Lease.

At 31 March 2001 the Agency was committed to making the following payments:

	2000/01 £000	2000/01 £000	2000/01 £000	1999/00 £000	1999/00 £000	1999/00 £000
	Vehicles	Land	IT Equipment	Vehicles	Land	IT Equipment
Operating Leases which expire:						
Within 1 Year	28	0	0	28	0	0
Between 2 and 5 Years	0	1	27	0	1	0
After 5 years	0	81	0	0	81	0
Total	28	82	27	28	82	0

NOTE 20 ■ Related Party Transactions

CEFAS has dealings with the Ministry of Agriculture, Fisheries and Food and its sponsored bodies, notably the Veterinary Medicines Directorate and the Central Science Laboratory. During the year none of the Board Members, members of the key management staff or other related parties has undertaken any material transactions with CEFAS.

NOTE 21 ■ Prompt Payment Policy

CEFAS has a duty to meet the CBI 30 day payment policy. During the year 2000/01 the percentage of invoices that met the policy is as below:

	2000/01	1999/00
	%	%
Quarter 1	94	92
Quarter 2	94	95
Quarter 3	95	97
Quarter 4	96	96
Average percentage of invoices paid within 30 days	95	95

No interest was paid in respect of late payment of commercial debt (1999/00 £ 0)

NOTE 22 ■ Notional Interest

	2000/01	1999/00
	£000	£000
Fixed Assets	1,999	2,102
Working Capital	154	162
Total Notional Interest	2,153	2,264

NOTE 23 ■ Percentage Total Cost Recovery

The 2000/01 result of 98% has been reduced by 1% as a result of transactions relating to work-in-progress (£225k) and staff related expenditure (£147k) which related to 1999/00 but had not been included in that year. Under the provision of Financial Reporting Standard (FRS) 3, these adjustments did not require restatement of the prior year figures.

NOTE 24 ■ Net Funding from Appropriation Account

The MAFF Appropriation Account reports the cash spending of CEFAS to Parliament.

	2000/01 £000	1999/00 £000
Section C Class X Vote 2		
Receipts:	30,109	23,778
Crown Estate Capital receipt MAFF	2,419	
Crown Estate Capital receipt Non MAFF	156	
Total Receipts	<u>32,684</u>	
Less: Running Costs	(24,642)	(23,685)
Capital Expenditure	(4,035)	(1,457)
Net Funding from Appropriation Account	4,007	(1,364)
Prior year balances due to/(from) MAFF	(3,958)	331
Current year balances due to MAFF	801	3,958
	<u>850</u>	<u>2,925</u>

CEFAS is required to operate within an allocation from the MAFF vote (2000/01 Receipts £29,249k, Running costs £24,622k, Capital expenditure £4,035k). This target was achieved.

	£000	2000/01 £000	£000	1999/00 £000	£000
Reconciliation Of Vote to Cash Flow					
Receipts		32,684			23,778
Plus Opening MAFF debtors	4,144			112	
Minus closing MAFF Debtors	(891)			(4,144)	
Plus Returned Deposit	900			5,000	
Total adjusted receipts		4,153	<u>36,837</u>		<u>24,746</u>
Running Costs		(24,642)			(23,685)
Plus March Pay paid April	(1,124)			(16)	
Plus Repayment to MAFF	(11,847)			4,289	
Less Notional Costs	2,575			2,591	
Plus Opening MAFF Creditors	(185)			(442)	
Less Closing MAFF Creditors	89			185	
Total adjusted running costs		(10,492)	<u>(35,134)</u>		<u>(17,078)</u>
Capital Expenditure			(4,035)		(1,457)
Cashflow			<u>(2,332)</u>		<u>6,211</u>

Accounts Direction given by the Treasury in accordance with Section 5 (1) of the Exchequer and Audit departments act 1921

1. When preparing its accounts for the financial year ended 31 March 1999 and subsequent financial years, the Centre for Environment, Fisheries and Aquaculture Science shall comply with the accounting principles and disclosure requirements of the edition of the Resource Accounting Manual which is in force for the financial year for which the accounts are prepared.

2. In addition the requirements of the Manual, the Foreword to the accounts shall include a brief history of the Centre for Environment, Fisheries and Aquaculture Science and its statutory background.

Signed 

Treasury Officer of Accounts

Date 1 July 1999

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Further information about CEFAS,
our activities and services, and news of
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on our web site: www.cefas.co.uk

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