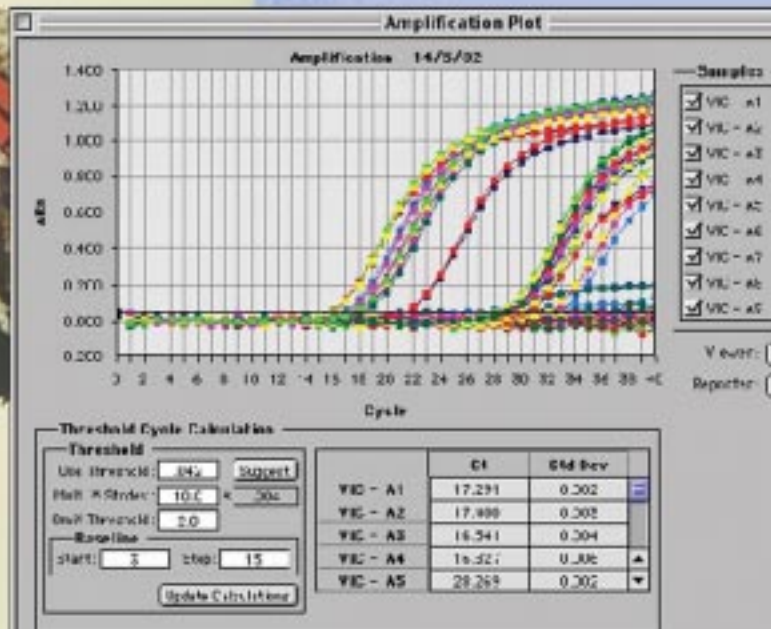




SCOTTISH
AGRICULTURAL
SCIENCE AGENCY
**Annual Report and
Accounts 2001-2002**



SCOTTISH AGRICULTURAL SCIENCE AGENCY
Annual Report and Accounts 2001-2002



Laid before the Scottish Parliament
by the Scottish Ministers
December 2002

SE/2002/204

Edinburgh: The Stationery Office
Price £9.00



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An Agency of The Scottish Executive Environment and Rural Affairs Department

ISBN 0 10 888076 1

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S R Cooper



Dr K J O'Donnell

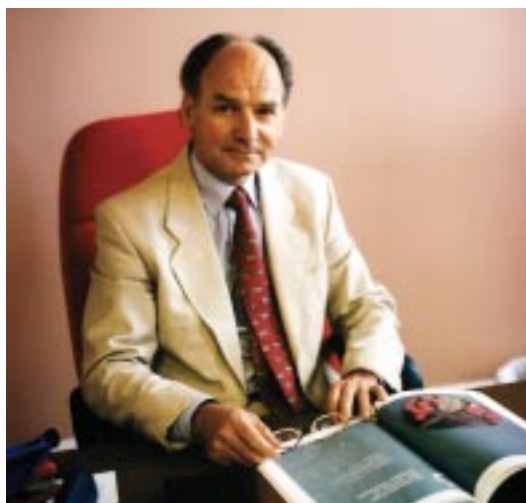


Mrs S M Quinn



R K McLaren

Organisation Chart



DIRECTOR

Dr R K M Hay

NON-EXECUTIVE DIRECTOR

I Evans (until August 2001)

PESTICIDES, PLANT VARIETIES & SEEDS

S R Cooper
(Deputy Director)

OSTS	Cereals	Herbage & Vegetables	Pesticide Usage & Wildlife Management	Chemistry
R Don	G P Hall	F N Green	Dr C J Griffiths	Dr K Hunter

POTATO AND PLANT HEALTH

Dr K J O'Donnell

Potato	Plant Health	Diagnostics & Molecular Biology	Virology & Zoology	Seed Potato Classification Scheme
Dr S F Carnegie	Dr J M Chard	Dr G Saddler	Dr J Pickup	W J Rennie

ADMINISTRATION AND SUPPORT SERVICES

Administration	Farm	Horticulture	Information Technology	Purchasing & Property
Mrs S M Quinn	R Campbell	D McIntyre	P J Winfield	R K McLaren



Status, Aim and Functions

Status

The Scottish Agricultural Science Agency (SASA) was established on 1 April 1992 as an Executive Agency of the Department which is now the Scottish Executive Environment and Rural Affairs Department (SEERAD).

Aim

The aim of the Agency is to provide expert scientific and technical advice and information on agricultural crops, horticultural crops and aspects of the environment; and to perform statutory and regulatory work in relation to national, European Union (EU) and other international legislation and agreements on plant health, bee health, variety registration and crop improvement; genetic resources; regulation of genetically modified organisms (GMOs); and the protection of crops, food and the environment.

The Agency's principal customer is The Scottish Executive. The Agency also provides services to other Government Departments as well as various UK and international bodies (including the European Union); local government; academic and research institutes; and private companies, organisations and individuals.

The Agency aims to improve the effectiveness of its operations and to enhance its provision of services and products to present customers and other organisations, consistent with Government policy. This will be achieved by ensuring that SASA has the scientific competence needed to respond to changes in legislation, technology, cropping systems and the environment, and that the Agency offers quality and value for money in all aspects of its work.

Functions

The principal functions of the Agency are:

- to serve the needs of SEERAD, within the terms of the Service Level Agreement (SLA), and other customers for scientific and technical expertise by the timely, efficient and effective provision of accurate and appropriate advice and information on the content and implementation of national, EU and other international legislation and agreements in relation to plant health, bee health, variety registration and crop improvement, genetic resources, GMOs and crop, food and environmental protection;
- to support SEERAD's legislative and policy responsibilities and assist in SEERAD's enforcement role by the timely, efficient and effective provision of appropriate scientific and technical services including: quarantine, diagnoses, and measures to contain or eradicate pests and diseases in relation to plant health and bee health; plant variety evaluation, description and maintenance in relation to Plant Breeders' Rights and National Lists of Crop Varieties; seed testing, crop inspection and identification in support of the Scottish and UK Seed Certification and Classification Schemes; undertaking the role of Certifying Authority for the Seed Potato Classification Scheme (SPCS); the regulation of GMOs; and pesticide residue monitoring, other analytical services and pesticide usage assessments in relation to the protection of crops, food and the environment;
- to represent Scottish and, where appropriate, UK interests at national and international meetings which call for scientific and technical input;
- to maintain and develop the scientific and technical competence needed to respond quickly and effectively to the evolving requirements of customers for scientific expertise and services, by maintaining a continuous programme of challenging and well focused research and development; and
- to improve the effectiveness of SASA by providing scientific and technical services to other customers in relevant areas of work.

Director's Report

I am pleased to lay before the Scottish Parliament this report of the work and achievements of the staff of SASA during 2001-02. The accounts pages of this report concentrate upon the financial aspects of the Agency, and its performance against the key targets set by Scottish Ministers. Full details of the scientific work of the Agency can be found in the second Scientific Review (1997-2000), which was published in December 2001. Unusually, because this report marks ten years of Agency status, it also includes a brief review of the principal features of these ten years.

During the report year, the Agency discharged in full its Service Level Agreement (SLA) with Scottish Executive customers, and performed additional work for SEERAD as the need arose, principally during the foot and mouth epidemic (responsibilities in relation to the control of potential vertebrate vectors) but also in response to the need for plant health surveillance (e.g. brown rot of potatoes). I am pleased to report that the Agency has been able to meet its timeliness targets in spite of restrictions caused by the epidemic (e.g. in relation to soil sampling for potato cyst nematodes in land destined for seed potato production).

Resources continue to be devoted to the relocation project. During the year, the full design team was appointed, and outline planning permission for the new headquarters building at Gogarbank was secured, subject to some conditions, in February 2002. Most of the staff of the Agency have been involved in one way or another in the many consultations which have been necessary in the preparation of the concept design which is scheduled to be completed by the end of 2002. SASA Management Board has been involved at all stages, pursuing the "management gains" which will be associated with the project.

The Agency continued to value its status as an Investor in People, and it continued to give high priority to health and safety matters, choosing to feature a "positive living" day in January 2002. The long-term commitment to competence based training for all staff saw the introduction of a new system for B band staff, and the start of a review of the effectiveness of the A/B1 system, in the context of parallel developments within the SE as a whole. The popular induction club continued, and the focus for senior staff was on relationships across the Executive, including an away day with "core" SEERAD staff. The SASA Partnership Board has functioned effectively.

The Agency also continued in its long-term commitment to formal quality assurance for all of its services. During the year, the Monoclonal Antibody Unit joined the Analytical Chemistry Laboratory, the Seed Testing Station and the Media Preparation Laboratory in gaining accreditation under BS ISO EN 9000, and preliminary discussions on the feasibility of QA for administrative support services were held.

Perhaps the most notable event of the report year was the launch of the Agency website, which replaced most of the "public relations" documents of the Agency, including the SASA Guide; and made available the forms and information relating to the Agency's statutory work in electronic format, for the first time. A comprehensive Intranet has now brought together all the many forms, guidance and advice needed for the internal working of the organisation. As noted earlier, a review of the scientific work of the Agency, including several reviews of work that has spanned more than one decade, was published in December 2001, and can be accessed through the website. Senior staff continued to play major parts in a range of national and international fora, on behalf of the Executive (see the section on representational duties).

Although there were no changes in the SASA Management Board during the year, our non-executive director, Ian Evans of Scottish Courage Brands, completed his three years of service.

We benefited greatly from Ian's experience, interest, enthusiasm and friendship, and will find it difficult to replace him in the coming year. We wish him well in his new post within the Scottish Courage group.

As in every year, I must pay tribute to the skilled and enthusiastic work of a dedicated staff of scientists and their supporters. I continue to be grateful for the pride that they show in their work.

A handwritten signature in black ink, reading "Robert K. M. Hay". The signature is written in a cursive style with a large, sweeping initial 'R' and a long, horizontal tail on the 'y'.

DR R K M Hay

Director

SASA: 10 years as an Agency

Agency Status

In April 2002, SASA reached the milestone of having functioned for ten years as an Executive Agency, and a special party was held in June to mark the event (the delay recognising that slightly better weather for an outdoor barbecue and ceilidh might be anticipated in June). Former members of staff returned to SASA for the celebration, and the opportunity was taken to mark the distinguished service over 25 years of 19 of the Agency staff.

This is, therefore, a good time to review the events of the last decade and to look into the immediate future. Before candidature for the status as a "Next Steps Executive Agency", Agricultural Scientific Services (ASS) was effectively a division of the Department of Agriculture and Fisheries for Scotland (DAFS), even though most of its staff were scientists rather than generalists, and they were geographically distant from the core of the Department. Although ASS was an integral part of the "corporate whole" of DAFS, the two groups of staff had different priorities. For example, ASS staff had particular concerns in relation to health and safety, the fostering of long-term scientific careers, the management of property, and the administration of services for which they received income.

Agency status, in 1992, brought increased independence in terms of personnel and financial management, with specialist units established at East Craigs, and greater freedom in property management. These "freedoms" were enshrined in a "framework document", now in its third edition, which laid down the responsibilities of the Agency and the Department, emphasising the duties of the Chief Executive as an accounting officer, responsible directly to Parliament (now the Scottish Parliament). SASA was required, at the outset, to move towards accruals accounting, and to be able to establish the full costs of the services provided, but it was also permitted a valuable degree of flexibility in terms of the direct use of income from new work, first using the "Luce Option" (marginal extra receipts scheme), later through a net running costs regime. Recruitment and personnel management were devolved to the Agency, and it gained full freedom to manage its built estate. This latter development soon led to a comprehensive assessment of the economy and effectiveness of its buildings by external consultants, and the judgement that best value would be gained by moving to a green field site. Overall, these changes have led to a more coherent unit, with a distinct identity, and some procedures which are more appropriate to a group of professionals who are more likely to remain in the Agency for much of their career; it must be admitted, however, that the unification of grading across the Executive and the lower profile of Agencies under Devolution, have tended to dilute the freedoms gained under Agency status.

At the corporate level, Agency status brought the need for formal corporate planning, to a rolling three-year horizon, and the establishment of ministerial targets each year. SASA has been able to retain many of the same targets (evolving quantitatively) over the decade, and the perspective gained from the time trends shown on pages 6-7 are more valuable than from yearly reports. The picture is of an organisation that is steadily improving in several ways. The establishment of a formal comprehensive service level agreement with the parent Department has been an even more important development, facilitating rational negotiations between customer and contractor, on the basis of accurately-costed activities. More recently, in the context of developments in the private sector, the focus has been on appropriate governance; the establishment of a SASA Supervisory (Ownership) Board, bringing together all of the relevant "stakeholders", has provided a much needed forum for the scrutiny of Agency performance, plans and aspirations. Overall, Agency status has proved to be a robust organisational structure for SASA.

Science

These administrative aspects of the Agency are important, but SASA exists to do science, and it has thrived scientifically over the decade. The major problem in mid-decade was the three-year review of scientific institutes across the UK which resulted in the privatisation of several government research agencies. In contrast, SASA's role as a public service organisation in Scotland, serving a raft of UK and EC legislation, was confirmed, and the Agency staff numbers, which fell to around 120 in the mid 1990s, have now recovered to 150, as a result of the undertaking of new roles, principally those of the certifying authority for the Seed Potato Classification Scheme (SPCS), and of the Scottish Executive Inspectorate for Genetically-Modified Crops.

There have been many scientific achievements, described in detail in the two scientific reviews published during the decade (1992-1997; 1997-2000). Taking only a few examples (illustrated on the cover of this report):

- seed pathologists in the Official Seed Testing Station, with the cooperation of farmers and the seed trade, rapidly brought under control an epidemic of barley leaf stripe disease, which had re-emerged after many years, owing to the development of strains resistant to organomercuric fungicides
- entomologists and virologists at SASA have developed a robust predictive model of the spread of potato virus diseases in Scotland, now used as a tool in the SPCS
- analytical work by SASA chemists has contributed to the evaluation of the risk to red kites of the legal use of anticoagulant rodenticides
- a coordinated programme of field surveys and laboratory work led to the discovery and eradication of a very localised inoculum of potato brown rot, a bacterial pathogen which could have devastated the seed potato industry
- investment in machine vision has resulted in the development of a prototype seed sorter, and tools for the discrimination of the shapes of plant parts, both of which should lead to reductions in the amount of human labour required for standard tests
- molecular biologists working on improved and faster diagnosis of pests and diseases have harnessed the PCR reaction to detect nematodes, potato viruses and fungal pathogens of cereal seed
- SASA chemists are employing state of the art tandem mass spectrometry techniques in driving down the detectable levels of pesticide residues in foodstuffs
- tissue culture techniques have been used to save the major potato genebanks in the UK – and to rescue threatened heritage varieties such as Yetholm Gipsy
- more traditional trialling work at Gogarbank, in collaboration with the Institute for Grassland and Environmental Research, has culminated in the development of a series of grass and legume varieties specifically for Scottish conditions

The Future

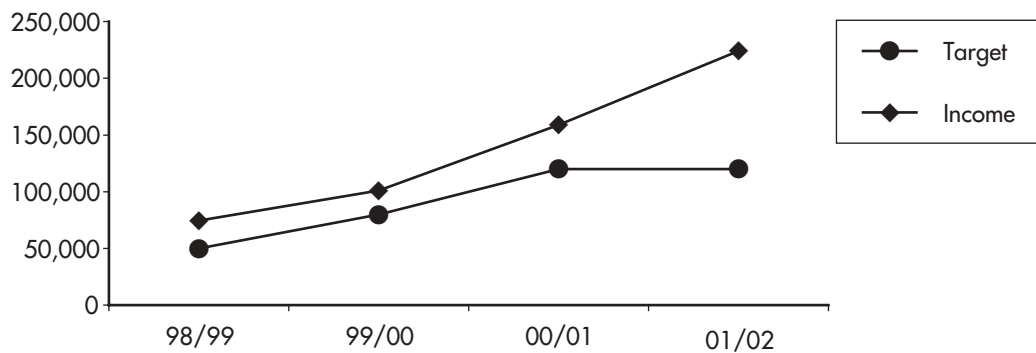
The immediate future of SASA will be dominated by the relocation project. If the current timetable holds, the removal will take place by 2006, facilitating new ways of working, including enhanced sharing of facilities. The design of the building should also lead to greater social contact among staff, dealing with the isolation imposed at present by a scattered range of buildings.

As the work of SASA is dominated by a long list of legislation and regulations, and as there is no sign of major deregulation in the sector, it is likely that the SASA/SEERAD SLA will continue in a similar form for several years. Nevertheless, as the environmental and food aspects of land use increase in importance, it is likely that, in the longer term, the Agency will tend to "migrate" towards the provision of services in support of environmental and food policies, building on established reputations in the pesticide load in the diet; farm surveys; and wildlife studies.

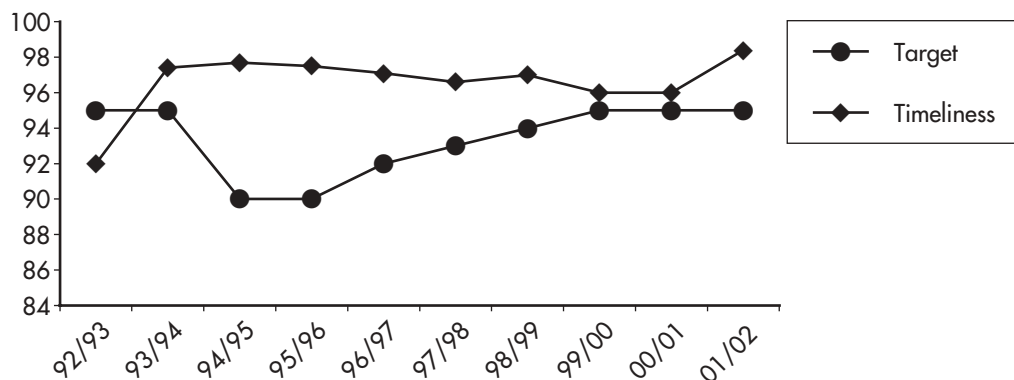
Performance Targets and Results

The performance of Agencies against a range of targets is a central feature of the Next Steps vision. These targets should chart achievements not only in relation to traditional "inputs" and "outputs" but also the effectiveness and quality of the work done in meeting the Agency's aim and functions. SASA is involved in a continued dialogue with its main customer, SEERAD, on the appropriate portfolio of performance targets to cover these wide range of interests. The following indicates the performance achieved compared with earlier years, where relevant.

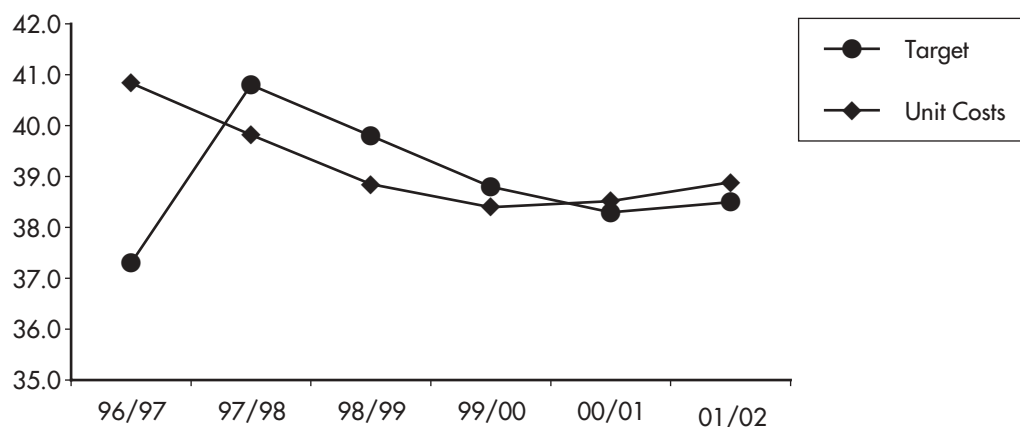
Targets	Outturns and Achievements	Target 2002-03	
Quantitative Targets			
1. Achievement of target income from new work/customers	£50,000	1998-99 Target achieved, £74,500 of income earned	£120,000
	£80,000	1999-00 Target achieved, £101,200 of income earned	
	£120,000	2000-01 Target achieved, £159,000 of income earned	
	£120,000	2001-02 Target achieved, £224,000 of income earned	



2. Completion of specific percentage of all scientific tests and analyses within timescales set by customers	92%	1996-97 Target achieved: 97.1%	96%
	93%	1997-98 Target achieved: 96.6%	
	94%	1998-99 Target achieved: 97.4%	
	95%	1999-00 Target achieved: 95.9%	
	95%	2000-01 Target achieved: 96.2%	
	95%	2001-02 Target achieved: 98.4%	



Targets		Outturns and Achievements	Target 2002-03
3. Improvement in unit cost of the scientific work of the Agency (cost per direct scientist hour)	1996-97	Target not met: £40.84	✓
	1997-98	Target achieved: £39.82	
	1998-99	Target achieved: £38.85	
	1999-00	Target achieved: £38.40	
	2000-01	Target not met ⁽¹⁾ : £38.52	
	2001-02	Target not met ⁽²⁾ : £38.89	



4. As part of the Agency's rolling programme of consultation of customers, ensuring that 95% of the customers surveyed are at least "satisfied"	2001-02	Target achieved: see detail report on pages 9-13	✓
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⁽¹⁾ Staff costs increased by 6.8%, following the August 2000 Scottish Executive Pay Award, which also introduced an increased level of non-consolidated bonus paid as lump sums. As staff numbers increased by 3.9%, the increased costs raised the direct hour rate.

⁽²⁾ Staff costs increased by 5.3% with an increase of 4.8% in scientific staff numbers. In addition non pay costs rose by 8.7% attributable to capital charges on equipment investments and investment in new SASA Website.

Targets	Outturns and Achievements	Target 2002-03
Milestone Targets		
1. Fulfilment of SLA within budget agreed with SEERAD	1996-97 Target achieved 1997-98 Target achieved 1998-99 Target achieved 1999-00 Target achieved 2000-01 Target achieved 2001-02 Target achieved	✓
2. Continuation of the programme of consultation with all customers on the quality of the work done by the Agency	1996-97 Target achieved 1997-98 Target achieved 1998-99 Target achieved 1999-00 Target achieved 2000-01 Target achieved	
3. Assimilation of the work and personnel associated with the Seed Potato Classification Scheme by the end of 1999;	1999-00 Target achieved. Work assimilated, staff moved to SASA HQ October 1999	
4. Presentation of the "greenfield" options for the buildings and infrastructure of the Agency in a form suitable for decisions by Ministers.	1999-00 Target achieved. Options presented to Ministers	
5. Formal quality assurance accreditation for the Monoclonal Antibody Unit	2000-01 Target not met. The certifying body was unable to arrange an assessment visit before 31 March. Visit took place on 17 July 2001 and formal accreditation awarded.	
6. Publication of a review of the scientific work of the Agency 1997-2000 by December 2001	2001-02 Target achieved: publication issued 20 December 2001.	
7. Formal quality assurance accreditation for the Pesticide Usage Surveying work of the Agency		✓

Consulting Our Customers

In response to the Agency's target of consulting fully with its customers, the Official Seed Testing Station (OSTS) has, since 1994, conducted surveys of those who make use of its seed testing service for certification and/or advisory purposes. The main purpose of these surveys is to gauge the effectiveness of the service delivered, and to bring to light ways in which customers felt that the service could be improved. For 2001-02 we have used the OSTS 2002 survey in pursuit of our performance target of achieving a 95% satisfaction rating. This target has been achieved with 98.7% of those returning completed questionnaires giving an overall rating of 6 or more.

A questionnaire, a covering letter, a SASA pen and a replied paid envelope were sent to all customers who had used the seed testing service provided by the OSTS in 2000/2001. In the survey customers were able to score *IMPORTANCE* using a 1 – 10 scale, where 1 = "extremely unimportant" and 10 = "extremely important". For *SATISFACTION* a 1 – 10 scale was also used and in this case 1 = "extremely dissatisfied" and 10 = "extremely satisfied". Customers were also able to indicate where a topic was not applicable.

A total of 510 questionnaires were sent out and a response rate of 46% was obtained by the closing date.

- **The average scores of "importance of topics to respondents" were calculated and the results are set out below:**

Topic	Average Score
The quality of the service provided	8.77
The timescale for receiving test results	8.42
The advice received from staff when assistance is requested on the interpretation of results	8.29
The information on test reports	8.26
The speed of response to enquiries/problems	8.21
The range of services provided	7.97
The guidance you receive on the tests most appropriate for your seed	7.89
The provision of sample packets	7.47
The price of our tests	7.22
The contact you have with our staff on telephone	7.16
The way in which results are presented on test reports	6.98
The information provided in price lists	6.79
The method of delivering results, i.e. FAX, E-Mail, post dispatch	6.63
The contact you have with our staff in person	6.15
The information provided in mailshots	6.14
The number of mailshots i.e. 2 per year	5.33
The method of invoicing	4.90
The timing of the invoice	4.70

Topics of most importance to our customers were generally concerned with the quality of the service provided, the timescale for receiving test results and information and advice received. Of less importance were method and timing of invoices and the provision of mailshots.

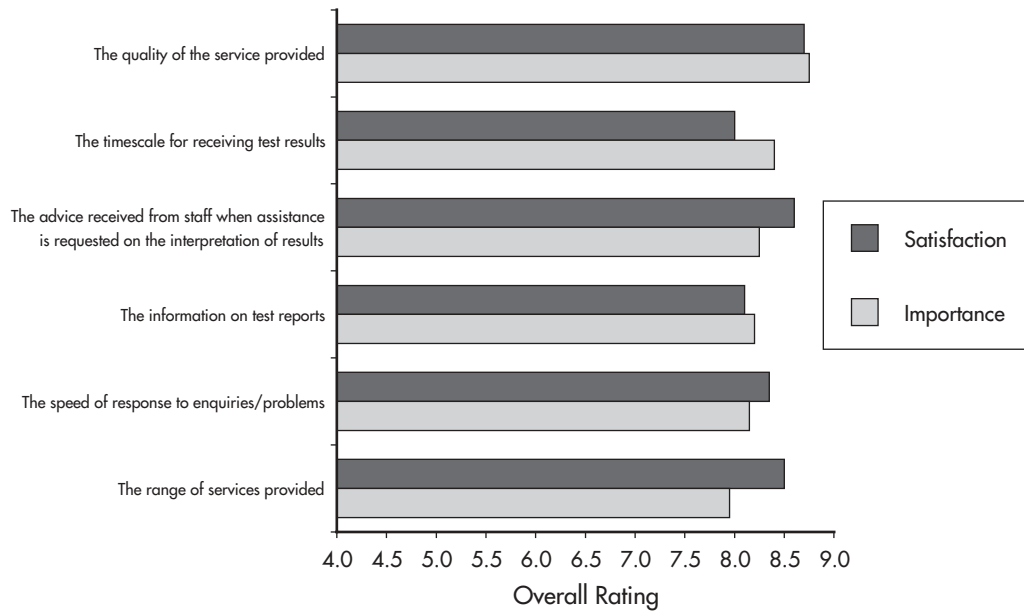
- **The average scores on “satisfaction ratings – what we do best” were calculated and the results are set out below:**

Topic	Average Score
The quality of the service provided	8.66
The advice received from staff when assistance is requested on the interpretation of results	8.57
The range of services provided	8.49
The contact you have with our staff on telephone	8.43
The speed of response to enquiries/problems	8.36
The provision of sample packets	8.28
The guidance you receive on the tests most appropriate for your seed	8.25
The information on test reports	8.06
The contact you have with our staff in person	8.04
The timescale for receiving test results	8.02
The way in which results are presented on test reports	7.97
The method of delivering results, i.e. FAX, E-Mail, post dispatch	7.76
The information provided in price lists	7.73
The method of invoicing	7.44
The timing of the invoice	7.39
The information provided in mailshots	7.38
The number of mailshots i.e. 2 per year	7.21
The price of our tests	6.63

The quality of the service provided by the OSTs was given the highest overall satisfaction rating by our customers. This was followed closely by the advice customers receive on the interpretation of their results, the range of services provided, the contact customers have with OSTs staff on the telephone, and the speed of response of OSTs staff to enquiries and problems. Ten of the 18 topics received an overall score of over 8 and there was only one with a score of less than 7, which was the price of our tests.

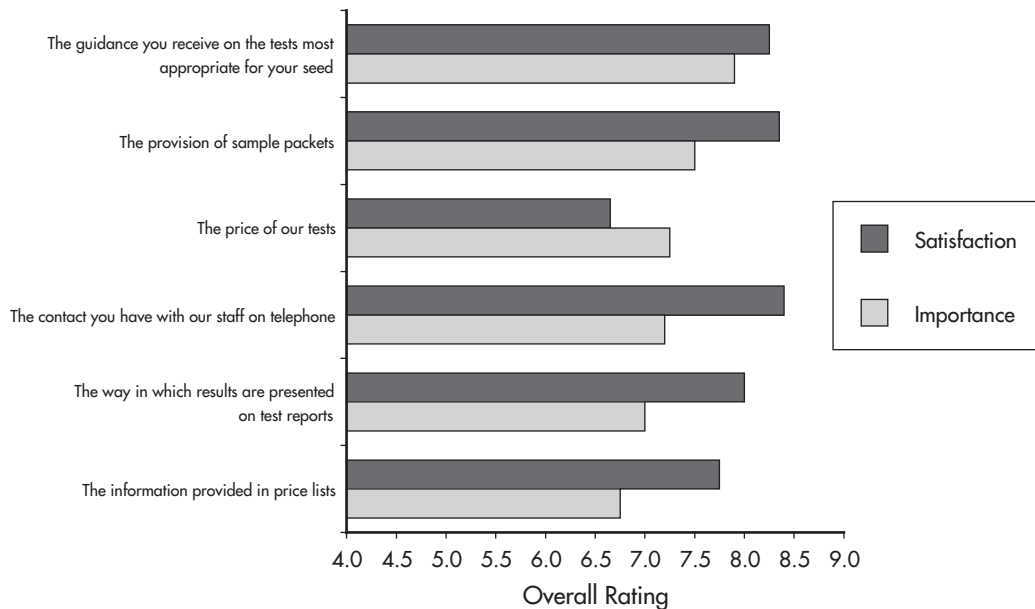
- **Comparison of importance and satisfaction ratings**

Of the topics rated of greatest importance to our customers, there were only slight differences between importance and satisfaction ratings. The overall difference was only 0.04. The largest negative difference (where the level of satisfaction was less than that of importance) was -0.4. This was for “The timescale for receiving test results”. The largest positive difference (where the level of satisfaction was greater than that of importance) was 0.52. This was for “The range of services provided”.



Comparison of satisfaction and importance ratings for the topics ranked 1 – 6 in order of importance by our customers

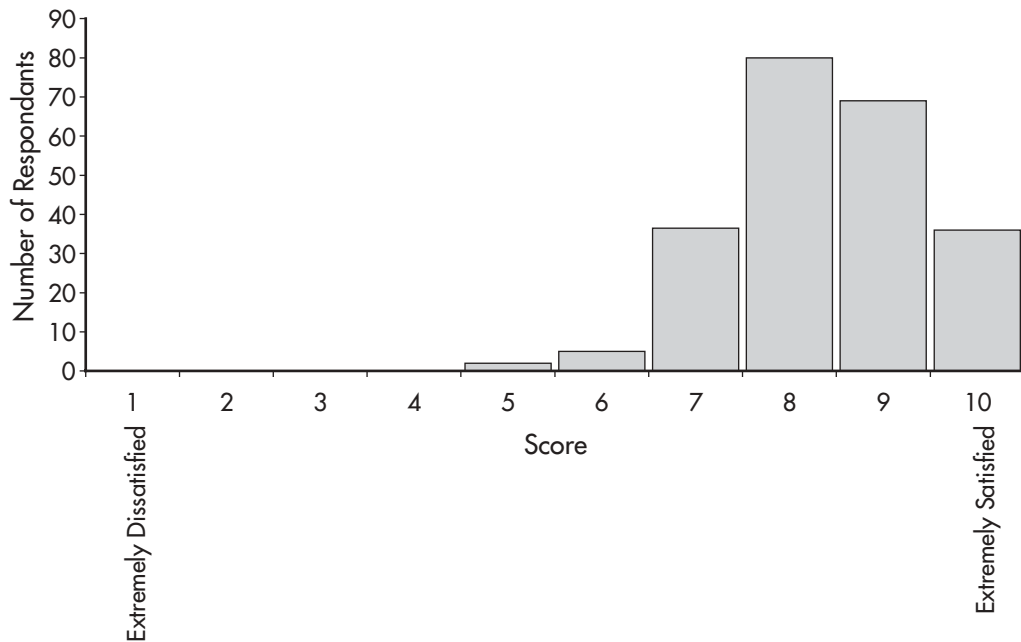
These differences between importance and satisfaction ratings were higher for topics rated less important by customers.



Comparison of satisfaction and importance ratings for the topics ranked 7 - 12 in order of importance by our customers

With the 6 least important topics, there were the greatest differences between satisfaction and importance ratings. These differences were all positive, with customer’s satisfaction ratings being greater than the corresponding importance ratings.

● Overall level of satisfaction

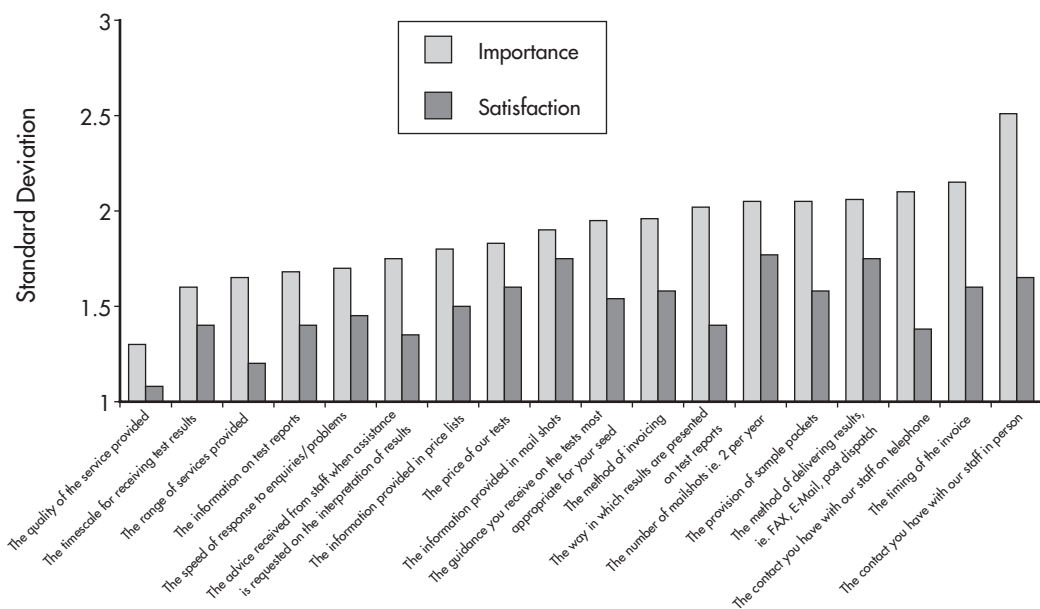


Histogram giving details of the overall satisfaction scores awarded by customers in the Customer Satisfaction Survey 2002

Eighty-one percent of respondents gave the OSTs a score of 8 or more and none of our customers awarded a score of less than 5.

● Spread of customers' importance and satisfaction scores

A measure of the spread of customer scores can be obtained through an examination of the standard deviations of their responses to individual topics.



Standard Deviations of customers' responses to questions of importance and satisfaction

The standard deviations show that there are substantial differences between customers in the way they rate importance and satisfaction, the largest differences being in ratings of importance. The greatest variation was obtained when they gave their views as to the importance of "The contact you have with our staff in person" and the smallest was for the rating of the importance of "The quality of the service provided".

● Discussion of Findings

The Official Seed Testing Station (OSTS) for Scotland is the principal centre for seed testing and seed quality information for Scotland. It provides scientific advice to the Scottish Executive Environment and Rural Affairs Department (SEERAD) and undertakes statutory and regulatory work in connection with SEERAD's responsibilities together with the Research and Development required to support that work.

SASA is the Certifying Authority for seed produced in Scotland. Prior to certification, the seed of most crop species must be officially tested to ensure that certain minimum standards are met. The OSTS undertakes some of the official testing of seed intended for certification, and it supervises all official tests made in licensed seed testing stations. The OSTS also offers a range of laboratory tests that can be used by the trade to evaluate seed prior to processing, or by growers who save their own seed.

In this Customer Satisfaction Survey we have sought the views of all those who used our seed testing service in 2000/2001. These customers vary in terms of their geographical location, from Orkney to the Borders. Their requirements are also varied since they cover the whole spectrum of the seed trade - from farmers who have had one sample of farm saved seed tested for germination to merchants who are major users of our certification testing service. For this reason there was a considerable spread in views regarding importance and satisfaction ratings. To customers who deliver samples by hand, "The contact you have with our staff in person" is considered "Extremely Important" but to a farmer in the North of Scotland this is "Extremely Unimportant". Similarly there are differences in the views of seed merchants and consultants/advisors. To the seed merchant the question of whether their sample meets certification standards is the most important issue whereas to the consultant/advisor the actual result and advice from staff is the priority.

With such a diverse customer base it was pleasing to note that based on a straightforward 10 point scoring scale the OSTS was given an overall satisfaction rating of 8.36. We were also pleased that many of the core elements of our service (quality, response time to enquiries, advice from staff, information on test reports) received very good satisfaction scores of greater than 8 out of 10. Other factors such as method and timing of invoicing, mailshots and the price of tests fared less well, but still had scores of greater than 6.5 which is considered as satisfactory in surveys of this type. This does not mean that we will be complacent.

The advantage of conducting this type of survey is that it provides a sound basis for making improvements. Some issues will be tackled straight away, others will take more time if we are to get things just right.

The full results of this survey are available on our website at: www.sasa.gov.uk

Review of Administration and Support Services

During 2001-02 SASA has continued to experience a steady level of staff turnover, along with a small increase in the number of permanent posts. This has resulted in ongoing, continuous activity in the promotion and recruitment field, albeit this has been at a lower level than over the past 2 years. SASA operates its recruitment in accordance with the Civil Service Commissioners' recruitment code, ensuring that all recruitment is carried out on the basis of fair and open competition and selection on merit. The arrangements in place are subject to internal management checks and also to audit on behalf of the Civil Service Commissioners.

In 2001-02 SASA held 10 open recruitment competitions and successfully appointed 11 candidates (6 at Band A, 2 at Band B, 1 at Band C and 2 Temporary Recurring Cereal Inspectors). None of the appointees was from an ethnic minority and none declared a disability. Eight other posts were filled, 2 on promotion (from Band A to Band B and one from Band B to Band C); 4 staff successfully applied for progression posts; and 2 took up new posts under restructuring arrangements. SASA made no exceptions to the Civil Service Commissioners' recruitment code.

Although there was a down-turn in the number of open competitions and internal progressions/promotions in 2001-02, this is viewed as temporary and we expect to see an increase again in the forthcoming year.

At 31 March 2002 the Agency employed 145 staff but also had 8 vacancies in the process of being filled.

The table below provides a breakdown of staff by pay band and gender.

Staff by pay band and gender at 31 March 2002

Pay band	<i>Males</i>		<i>Females</i>		<i>Total</i>	
	No	%	No	%	No	%
Senior Civil Service	1	1.4	0	0.0	1	0.7
Band C	15	20.6	2	3.0	17	12.0
Band B	24	33.0	34	47.0	58	40.0
Band A	24	33.0	36	50.0	60	41.3
Agricultural	9	12.0	0	0.0	9	6.0
Total	73	100	72	100	145	100

The Agency along with the rest of the Scottish Executive, after re-assessment in November 2001, retained liP status and continues to work within the national standard.

SASA continues to operate an induction programme for new entrants and the 'Induction Club' continues to provide new staff with the opportunity to meet each other and gain information on the specific topics presented.

2001-02 has seen the first year of the new SE Performance Management & Development Appraisal System and Personnel were heavily involved in the rollout and training of staff under the new system.

SASA along with the rest of the SE is working towards improving diversity, and diversity awareness workshops were held for all Senior Managers.

As with last year, the increased uptake of training opportunities amongst staff has resulted in a substantial investment by the Agency of some £40K for staff training. This is in addition to the SE provision of training. The Competence Based Training Scheme introduced by the Agency for A/B1 staff in 2000 was extended to B2/B3 staff in 2001 and tools to enable Heads of Section and line managers to record and monitor staff skills development have been introduced this year, in the form of a Staff Register. During the period 2001-02 each member of staff received an average of 10 days training which comprised formal learning opportunities (courses, seminars, workshops) as well as learning through media resources and valuable networking experiences.

Much demand continued to be made on the Agency's IT resources, which was met by the use of specialist contractors. Responsibility for managing the Seed Potato Classification Scheme was transferred from SEERAD to SASA in 2000 and during 2001-02 the Agency took the opportunity to identify projects for improving the Scheme's operation. Four projects were identified, including the development of an integrated Information System to replace what is largely a paper-based system. The first of these projects to be commissioned will look at ways of streamlining and removing duplication of paper and information handling from the scheme. It is anticipated that the development of an Information System will, in the longer term, lead to a more efficient and an improved service delivery. The Agency submitted a proposal to the Scottish Executive for funding of an e-government initiative in support of the scheme. A review was also completed, following the introduction of the new Seed Potato Seed Label printing system in 2000. A number of recommendations for improving the management of the system and of testing changes to it were adopted and implemented.

SASA's network has been re-configured to meet 2 objectives, connection of the network to the Government Secure Intranet (GSI), and changes to facilitate deployment of the new Scottish Executive Accounting System (SEAS). Connection to GSI, completed in August 2001, provides a secure communications link with the Scottish Executive and other government bodies and is a foundation for improving data and information sharing between SASA, the Executive and its sister organisations.

During the year new SASA Intranet and Internet websites were launched: www.sasa.gov.uk. The new Internet site makes it easier for staff to add content to the Internet website and for the Agency to keep the public informed about its activities and services. Upgrading the site will also help the Agency fulfil its targets for making its services available electronically. The Agency, as part of its commitment to a project funded by the European Union, developed and launched a new website at www.europotato.org dedicated to providing descriptions of all European potato cultivars held in Genetic Resource centres across Europe. The intended audience is scientists, plant breeders, commerce and the general public.

During the year, work was completed on collecting the user requirements for the Plant Variety Trials Project. The study identified opportunities for information sharing and combining information management in a sustainable form. However, an integrated IT situation was not deemed to be cost effective.

A review was completed of the means used to cost activities and functions in support of the Service Level Agreement with SEERAD and options for supplying a flexible means of cost forecasting. A cost-benefit analysis was done on 2 options: the first to procure a commercial application for this purpose, the second to modify a small bespoke application, already used within the Agency. The study concluded it would be more cost effective to modify the in-house application. Work started on implementing these modifications in October 2001.

The Agency also reviewed its controls for ensuring adequate IT Governance.

Annual Accounts 2001-02

Foreword to the Accounts

The accounts have been prepared in accordance with a Direction given by the Scottish Ministers in pursuance of Section 19(4) of the Public Finance and Accountability (Scotland) Act 2000. The Direction is reproduced at Appendix 1 to the accounts.

Background Information

The Scottish Agricultural Science Agency (SASA) was established as an Executive Agency of the Department, which is now the Scottish Executive Environment and Rural Affairs Department (SEERAD), in April 1992, as part of the Government's Next Steps Initiative. It was designated a Simpler Agency in October 1992.

From 1 April 1998 the Agency has been subject to the funding arrangements of a net running costs regime. The Agency is funded by Annual Budget Act of the Scottish Parliament.

Principal Activities

The Agency exists to provide government with expert scientific and technical advice on agricultural crops, horticultural crops and aspects of the environment. It also performs statutory and regulatory work in relation to national, European Union and other international legislation and agreements on plant health, bee health, variety registration and crop improvement; genetic resources; regulation of genetically modified organisms, and the protection of crops, food and the environment.

Review of Financial Performance

The Agency's key financial objectives are to fulfil the Service Level Agreement (SLA) with SEERAD within the budget allocated for the year and to recover full economic costs for charged services. In addition to the income received from SEERAD, a further £2.8 million was received against sales invoices for externally-charged fees.

The charges for the SLA are set to recover the full economic cost of providing the agreed services including the recovery of certain externally-charged fees. Charges for the latter are set nationally from consolidated UK or Scottish memorandum trading accounts or by recovering an agreed percentage of the estimated full cost as a matter of current Government policy and as authorised by Scottish Ministers.

SASA is reliant upon the financial information and management systems provided by the SE for all of its financial functions. The SE implemented a replacement financial system (SEAS) on 24 December 2001. Operational difficulties with SEAS, following implementation, adversely affected the ability of the Agency to carry out its detailed budget monitoring in the final quarter of 2001-02, and to adhere to the CBI Code of Prompt Payment Practice. The average percentage of supplier invoices paid within 30 days of receipt for 2001-02 was 90.7% (2000-01 98.7%).

The accumulated impact of the initial payment problem has resulted in a continued poor payment performance in the first quarter of 2002-03. However, the Agency has received assurances from the SE that appropriate action has been taken to rectify the errors, identify weaknesses and strengthen those controls and procedures which have resulted in the delays in making payments. Therefore, it is expected that the Agency payment performance will improve in the latter part of 2002-03.

Future Developments

In December 2000, Scottish Ministers gave approval to co-locate the Agency headquarters with its field activities at Gogarbank Farm. In September 2002, as part of SR2002, Scottish Ministers announced approval for the funding for the new headquarters building. The project is currently at the design stage and it is planned to move to the new site within the next four years.

Research and Development

SASA undertakes a limited amount of research and development in developing new scientific techniques to support its statutory and regulatory objectives. All research costs are charged to the Income and Expenditure Account when incurred.

Fixed Assets

During the year the Agency acquired scientific equipment, computer hardware, software and capital works amounting to £602,000 of authorised capital expenditure.

SASA Management Board

The senior management team at the end of the financial year was as follows:

- Dr R K M Hay - Director
- Mr S R Cooper - Deputy Director and Head of Pesticides, Plant Varieties and Seeds Division
- Dr K J O'Donnell - Head of Potato and Plant Health Division
- Mrs S M Quinn - Head of Administration

Mr I Evans (Non-executive Director) retired from office on 15 August 2001 on completion of his 3 year tenure. Mr R K McLaren (Relocation Project Manager) was appointed to the Management Board on 1 April 2002. Professor Chris Pollock was appointed Non-executive Director on 1 October 2002.

With the exception of the Non-executive Director, the other members of the management team are appointed as members of the UK Civil Service. These appointments are all subject to conditions set out in the Civil Service Management Code. Remuneration falls in line with Scottish Executive pay structure and is subject to pay awards negotiated with the relevant unions. See note 3 to the accounts.

Employment Policy

SASA operates in line with Civil Service policies and endorses the commitment on diversity and equality of opportunity for all employees.

Recruitment Policy

In accordance with the principles of the Civil Service Commissioners' Recruitment Code and the provisions of the Civil Service Order in Council 1995, the Agency has systems in place to ensure that recruitment is carried out on the basis of fair and open competition and selection on merit.

Disabled Employees

SASA is an equal opportunity employer and takes full cognisance of the Public Service Code of Practice on the employment of people with disabilities. Disablement is not regarded as a bar to recruitment, training or advancement, which are based entirely on the ability to do the job.



DR R K M HAY

Director

03 December 2002

Statement of Agency's and Accountable Officer's Responsibilities

Under Section 19(4) of the Public Finance and Accountability (Scotland) Act 2000, the Scottish Ministers have directed the Scottish Agricultural Science Agency to prepare a statement of accounts for each financial year in the form and on the basis set out in the Accounts Direction, shown as an Appendix to these financial statements. The accounts are prepared on an accruals basis and must give a true and fair view of the Agency's state of affairs at the year end and its income and expenditure, recognised gains and losses and cash flows for the financial year.

In preparing the accounts the Agency is required to:

- observe the accounts direction issued by the Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on a "going concern" basis, unless it is inappropriate to presume that the Agency will continue in operation.

The Principal Accountable Officer for the Scottish Executive has designated the Director of the Scottish Agricultural Science Agency as the Accountable Officer for the Agency. His relevant responsibilities as Accountable Officer, including responsibility for the propriety and regularity of the public finances and for the keeping of proper records, were set out in the revised *"Memorandum to Accountable Officers from the Principal Accountable Officer"*, dated April 2002.

Statement of Internal Control

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, set by Scottish Ministers, while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the organisation's policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of the organisation's policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 March 2002 and up to the date of approval of the annual report and accounts and accords with guidance from Scottish Ministers, subject to the specific points noted below.

As Accountable Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. The following processes have been established:

- a management board which meets monthly to consider the strategic plans and operational management of the organisation and the various position reports on the internal functions;
- regular reports by internal audit which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the system of internal control (on systems they have reviewed), together with recommendations for improvement;
- periodic reports from the chairman of the Agency's audit committee to the SASA Management Board concerning internal control issues;
- adoption of formal project management disciplines by project boards, including regular reports to the SASA Management Board;
- regular reports from managers on steps taken to minimise risk in their areas of responsibility;
- codification of the formal risk management strategy (April 2002) which summarises previously implemented Agency wide procedures and approach to risk;
- maintenance of an Agency Corporate Risk Register (March 2002); and
- detailed monthly monitoring of budgets vs. expenditure.

In the final quarter of 2001-02, timely preparation of the detailed budget monitoring statements was not possible due to operational problems encountered, following the implementation of the replacement SE accounting and information system (SEAS). The Agency did, however, maintain high level budget monitoring throughout the period, using information from alternative sources.

Problems with the SEAS payment system have also adversely affected the ability of the Agency to meet the CBI prompt payment code, as reported in the Foreword to the accounts.

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



DR R K M HAY

Director

03 December 2002

Auditor's Report to the Scottish Parliament and the Auditor General for Scotland

To the Scottish Parliament and the Auditor General for Scotland

I have audited the financial statements on pages 22 to 32 under the Public Finance and Accountability (Scotland) Act 2000. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 26 to 27.

Respective responsibilities of the Agency, the Chief Executive and Auditor

As described on page 18 the Agency and Chief Executive are responsible for the preparation of the financial statements and for ensuring the regularity of financial transactions. The Agency and Chief Executive are also responsible for the preparation of the other contents of the Annual Report. My responsibilities, as independent auditor, are established by the Public Finance and Accountability (Scotland) Act 2000 and the Code of Audit Practice approved by the Auditor General for Scotland, and guided by 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 Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers and whether, in all material respects:

- the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000; and
- the sums paid out of the Scottish Consolidated Fund for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998.

I also report if, in my opinion, the Foreword is not consistent with the audited 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 report if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on page 19 complies with Scottish Executive guidance on statements on the system of internal control. I report if the statement does not comply with the guidance, or if the statement is misleading or inconsistent with other information I am aware of from my audit.

Basis of audit opinions

I conducted my audit in accordance with the Public Finance and Accountability (Scotland) Act 2000 and the Code of Audit Practice, which requires compliance with relevant 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 expenditure and receipts shown 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 in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error, and that, in all material respects, the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinions

In my opinion the financial statements give a true and fair view of the state of affairs of the Scottish Agricultural Science Agency at 31 March 2002 and of the excess of income over expenditure, recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

In my opinion, in all material respects:

- the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000; and
- the sums paid out of the Scottish Consolidated Fund for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998.



Gordon Neill CPFA
Senior Audit Manager

04 December 2002

Audit Scotland
Osborne House
Osborne Terrace
Edinburgh
EH12 5HG

Income and Expenditure Account

for the year ended 31 March 2002

Income	<i>Notes</i>	2002 £000	2001 £000
Income from SLA		5,598	5,450
Income from other activities		2,806	2,761
	2	8,404	8,211
Expenditure			
Staff costs	3	3,799	3,580
Depreciation	6	887	769
Other operating charges	4	1,912	1,765
		6,598	6,114
Net income before interest on capital		1,806	2,097
Interest on capital	5	619	624
Excess of income over expenditure transferred to general reserve		1,187	1,473

Statement of Recognised Gains and Losses

for the year ended 31 March 2002

	2002 £000	2001 £000
Net gain on revaluation of assets	276	28

The notes on pages 26 to 32 form part of these accounts.

Balance Sheet

at 31 March 2002

	Notes	2002		2001	
		£000	£000	£000	£000
Fixed Assets					
Tangible assets	6		9,862		9,873
Current Assets					
Stocks		8		8	
Debtors	7	611		663	
Cash at bank and in hand		2		-	
		621		671	
Trade Creditors: amounts falling due within one year		364		122	
Net Current Assets			257		549
Total Assets less Current Liabilities			10,119		10,422
Financed by:					
Capital and Reserves					
General reserve	8		8,581		9,102
Revaluation reserve	9		1,538		1,320
			10,119		10,422

The notes on pages 26 to 32 form part of these accounts.



DR R K M HAY

Director

03 December 2002

Cash Flow Statement

for the year ended 31 March 2002

	Notes	2002		2001	
		£000	£000	£000	£000
Net Cash Inflow from Operating Activities (note i)			2,900		2,906
Capital Expenditure and Financial Investment (note ii)			(456)		(800)
Transfer to SEERAD			(2,442)		(2,112)
Increase/(Decrease) in cash in the year (note iii)			2		(6)

Notes to the Cash Flow Statement

Note i: Reconciliation of excess income over expenditure to operating cash flows

	Notes	2002		2001	
		£000	£000	£000	£000
Excess of income over expenditure			1,187		1,473
Adjustments for non-cash transactions					
Depreciation charges		887		769	
Interest on capital		619		624	
Audit fee	4	15		14	
Services provided by Scottish Executive	4	63		56	
Profit on sale of fixed assets	4	(4)		(3)	
Notional set-aside receipt		(20)		(20)	
			1,560		1,440
Adjustments for movements in working capital					
Decrease in stock		-		15	
Decrease/(Increase) in debtors		52		(49)	
Increase in creditors		101		27	
			153		(7)
Net cash inflow from operating activities			2,900		2,906

Note ii: Analysis of capital expenditure and financial investment

	<i>Notes</i>	2002 £000	2001 £000
Payments to acquire tangible fixed assets	6	462	804
Receipts from sale of tangible fixed assets		(6)	(4)
		<u>456</u>	<u>800</u>

Note iii: Reconciliation of net cash flow to movement in net funds

	2002 £000	2001 £000
Cash at bank and in hand at 31 March 2001	0	6
Cash at bank and in hand at 31 March 2002	2	0
Increase/(Decrease) in cash in year	<u>2</u>	<u>(6)</u>

Notes to the Accounts

for the year ended 31 March 2002

1. Accounting Policies

The accounts have been prepared in accordance with the Accounts Direction issued by the Scottish Ministers on 29 March 2001.

Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of fixed assets and stocks, where material, at their value to the Agency by reference to their current costs.

Fixed assets

The Agency generally capitalises assets costing £1,000 or more which have a useful economic life of more than one year. However this threshold is varied for works projects (over £10,000), IT (over £100) and fixtures and fittings (over £100).

Departmental Estate is treated as an asset of the Agency, although legal ownership now rests with the Scottish Ministers. This reflects the Agency's position as the principal beneficial user of this property.

The valuation of land and buildings is on the basis of open market value for existing use. Professional valuations of land and buildings are carried out every 5 years.

Land and buildings are revalued in the years between professional valuations using indices published in the Valuation Office's Property Market Report. Other tangible fixed assets, excluding computers, are revalued annually using appropriate CSO Indices.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation of each asset evenly over its expected useful life, as follows:

Freehold buildings	30-60 years
Fixtures & fittings	over 5 years
Plant & machinery	over 10 years
Vehicles	over 5 to 10 years
Computer hardware/software	over 3 to 5 years
Equipment	over 10 years

Asset lives are reviewed periodically to ensure that they continue to represent a reasonable estimate of useful economic life.

Donated tangible fixed assets are capitalised at their valuation on receipt, and this value is credited to the donated asset reserve. Subsequent revaluations are also taken to this reserve. Each year, an amount equal to the depreciation charge on the asset is released from the donated asset reserve to the income and expenditure account.

Stocks

Stock is stated at the lower of net current replacement cost or net realisable value. Provision is made where necessary for obsolescent, slow moving and defective stocks.

Consumables are written off in the year of purchase.

Research and development

Research and development expenditure is written off as incurred.

Income

The Agency is not primarily a trading organisation. It provides services, primarily to SEERAD, under a Service Level Agreement for which a charge is made. Receipts from the Service Level Agreement, together with receipts from fees for seed certification, seed and variety testing, statutory pesticides work and other activities are presented as income net of value added tax. In addition, a notional receipt of £20,000 has been included in respect of agricultural land set-aside.

Value Added Tax

Irrecoverable VAT is charged to the Income and Expenditure Account in the year in which it is incurred, apart from that which is capitalised as part of asset values.

2. ANALYSIS OF INCOME AND EXPENDITURE

An analysis of income and expenditure by division is given below:

	Income 2001-02 £000	Expenditure 2001-02 £000	Net Divisional Outturn 2001-02 £000	Income 2000-01 £000	Expenditure 2000-01 £000	Net Divisional Outturn 2000-01 £000
Support Services	318	2,995	(2,677)	319	2,761	(2,442)
Pesticides, Plant Varieties and Seeds	3,809	2,115	1,694	3,793	1,890	1,903
Potato and Plant Health	4,277	2,107	2,170	4,099	2,087	2,012
	8,404	7,217	1,187	8,211	6,738	1,473

The net cost of the support services is recovered in charges for services made by the other divisions.

The significant excess of income over expenditure relates in the main to the Seed Potato Classification Scheme. Although a number of services are provided by SEERAD Agricultural Staff for which no charge is currently made, the costs are recovered in setting fees to third parties for this scheme.

3. STAFF NUMBERS AND COSTS

	2001-02 £000	2000-01 £000
Wages and salaries	3,196	3,022
Social security costs	210	196
Other pension costs	393	362
	3,799	3,580

For 2001-02 contributions of £392,919 (2000-01 £362,245) were paid to the PCSPS at rates determined by the Government Actuary and advised by the Treasury. These rates were in the range 12-18.5 per cent of pensionable pay.

The average number of staff, excluding casuals, employed during the year was as follows:

	2001-02 Number	2000-01 Number
Scientists	112	107
Support staff	44	41
	156	148

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

Name and title	Age at 31 March 2002	Salary (1) £000	Real increase in pension at age 60 (2) £000	Total accrued pension at age 60 at 31 March 2002 (3) £000
Dr R K M Hay Director	55	60-65	0-2.5	5-10
Mr S R Cooper Deputy Director	57	50-55	0-2.5	20-25
Dr K J O'Donnell Head of Potato and Plant Health	39	40-45	0-2.5	0-5
Mrs S M Quinn Head of Administration (part-time)	50	25-30	0-2.5	10-15

Pension benefits are provided through the Principal Civil Service Pension Scheme (PCSPPS). 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 per cent of pensionable earnings. Pension payments increase 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.

- (1) Salaries include gross salaries, and if appropriate performance bonuses payable, reserved rights to London Weighting or London allowances, recruitment and retention allowances and private office allowances.
- (2) The increase in pension earned during the year in bands of £2,500.
- (3) Annual pension entitlement, in bands of £5,000, accrued for services with the Scottish Executive, excluding any AVCs, added years purchased or transfers into PCSPS.

4. OTHER OPERATING CHARGES

	2001-02 £000	2000-01 £000
Personnel	44	70
Premises	680	640
Transport	190	209
Supplies and services	924	779
Non-cash items:		
(Profit) on disposal of fixed assets	(4)	(3)
Audit fee ⁽¹⁾	15	14
Services provided by Scottish Executive	63	56
	1,912	1,765

(1) The audit fee is a notional charge, as notified to us by our auditors Audit Scotland

5. INTEREST ON CAPITAL EMPLOYED

Interest of £619,000 (2000-01 £624,000) has been charged in the Income and Expenditure Account on the basis of 6% of the average cost of capital employed by the Agency in accordance with the Resource Accounting Manual. Capital employed is defined as Total Assets less Current Liabilities, but excludes donated assets where the charge is nil.

6. TANGIBLE FIXED ASSETS - £000

	Land & buildings	Furniture & fittings	Plant & machinery	Vehicles	Computer hardware/software	Equipment	Assets under construction	Total
Replacement Cost or Valuation								
At 1 April 2001	8,218	348	1,008	564	2,140	2,725	360	15,363
Additions	28	14	23	43	121	71	302	602
Disposals	-	-	-	(17)	(1)	(3)	-	(21)
Transfers	9	-	-	-	198	-	(207)	-
Revaluation adjustment	261	2	46	(19)	-	2	-	292
At 31 March 2002	8,516	364	1,077	571	2,458	2,795	455	16,236
Depreciation								
At 1 April 2001	583	310	640	430	1,692	1,835	-	5,490
Provided in year	205	16	70	42	372	182	-	887
On disposals	-	-	-	(17)	-	(2)	-	(19)
Revaluation adjustment	(1)	1	26	(11)	-	1	-	16
At 31 March 2002	787	327	736	444	2,064	2,016	-	6,374
Net Book Value								
At 31 March 2001	7,635	38	368	134	448	890	360	9,873
At 31 March 2002	7,729	37	341	127	394	779	455	9,862

The land and buildings at the East Craigs site together with the farm at Gogarbank were valued independently, as at 31 March 1998, by Bell Ingram Rural, Chartered Surveyors on the basis of Existing Use Value in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors. The Independent Valuers have provided an additional valuation, at that same date, on the basis of Open Market Value.

The revaluation adjustment of £292,000 and backlog depreciation of £16,000 were transferred to the revaluation reserve.

Reconciliation of fixed asset additions to capital expenditure cash flow.

	£000
Creditor at 1 April 2001	13
Fixed asset additions	602
Creditor at 31 March 2002	(153)
Payment to acquire fixed assets	462

7. DEBTORS

	2002 £000	2001 £000
Trade debtors	279	271
Other debtors	3	3
Prepayments and accrued income	329	389
	611	663

8. GENERAL RESERVE

	£000
At 1 April 2001	9,102
Transfer to SEERAD	(2,442)
Non-cash transactions:	
Interest on capital	619
Net notional costs	57
Transfer of realised element of revaluation reserve	58
Excess of income over expenditure	1,187
At 31 March 2002	8,581

9. REVALUATION RESERVE

	£000
At 1 April 2001	1,320
Surplus arising on revaluation and indexation during the year	292
Backlog depreciation	(16)
Transfer to general reserve in respect of the realised element of revaluation reserve	(58)
At 31 March 2002	1,538

10. CAPITAL COMMITMENTS

	2002	2001
	£000	£000
Contracted	1,207	110
Authorised but not contracted	2	1,648

11. OTHER FINANCIAL COMMITMENTS

At 31 March 2002 the Agency was committed to making payment of £7,000 (£7,000 at 31 March 2001) in respect of land and building operating leases which expire within one year.

The Agency has not entered into any non-cancellable contracts (which are not operating leases) at 31 March 2002 (Nil at 31 March 2001).

12. CONTINGENT LIABILITY

There were no material contingent liabilities at 31 March 2002 (Nil at 31 March 2001).

13. RELATED PARTY TRANSACTIONS

SASA is an Executive Agency of the Scottish Executive Environment and Rural Affairs Department. SEERAD is regarded as a related party with which SASA has had various material transactions during the year. In addition SASA has had various material transactions with other central Government bodies. Most of these transactions have been with the Pesticides Safety Directorate and the Department of Environment, Food and Rural Affairs.

During the year, the Director, managerial staff and other related parties have not undertaken any material transactions with SASA.

Direction by the Scottish Ministers in Accordance with Section 19(4) of the Public Finance and Accountability (Scotland) Act 2000

1. The statement of accounts for the financial year ended 31 March 2001 and subsequent financial years shall comply with the accounting principles and disclosure requirements of the edition of the Resource Accounting Manual which is in force for the year for which the statement of accounts are prepared.
2. The statement of accounts shall give a true and fair view of the income and expenditure and cash flows for the financial year, and the state of affairs as at the end of the financial year.
3. In accordance with the requirements of the Manual:
 - 3.1 When preparing its income and expenditure account the Scottish Agricultural Science Agency shall have regard to the profit and loss account format 2 prescribed in Schedule 4 to the Companies Act 1985 to the extent that such requirements are appropriate to the Scottish Agricultural Science Agency.
4. This direction shall be reproduced as an appendix to the Statement of Accounts. This direction supersedes the one dated 25 April 2000.

Signed by the authority of the Scottish Ministers

P S COLLINGS

29 March 2001

Representational Duties of SASA Staff During 2001-02

Senior Management Board

Dr R K M Hay

- Editor of Annals of Botany
- Committee of Heads of Agricultural and Biological Organisations in Scotland (CHABOS)
- Scottish Executive Cross-Cutting Group on Science and Technology

Dr K J O'Donnell

- British Society for Plant Pathology: Membership Secretary

S R Cooper

- Biomathematics and Statistics Scotland Management Advisory Committee
- Plant Varieties and Seeds Committee
- National List and Seeds Committee

Mrs S M Quinn

- Scottish Management Advisory Committee of CHABOS
- Scottish Administration Employment Network
- Scottish Executive Training & Development Steering Group

Library

Mrs L J Clark

- Scottish Agricultural Librarians Group
- Agency Information Group
- Scottish Working Party on Official Publications

Cereals Section

G P Hall

- National List - Inter-Departmental Combinable Crops VCU Group
- EU Cereals Comparative Trials Group
- OECD Working Group on Genetically Modified Seeds Issues
- OECD Seeds Schemes Committee
- ISTA Bulking and Sampling Committee
- UKASTA (Scottish Council) Seeds Committee

Official Seed Testing Station

R Don

- ISTA Executive Committee: Member
- ISTA Germination Committee: Member
- ISTA Moisture Committee: Vice Chairman
- ISTA Tetrazolium Testing Committee: Vice Chairman
- ISTA Sampling and Bulking Committee: Executive Member

Mrs V Cockerell

- ISTA Plant Disease Committee: Vice Chairman
- BCPC Seed Treatment Working Group

Mrs C A Cadger

- ISTA/EU Working Group on Germination

Herbage and Vegetable Crops Section

F N Green

- UPOV Technical Working Party for Vegetables
- International Association for Cultivated Plant Taxonomy
- ISTA Nomenclature Committee
- EU Oilseed Rape Comparative Trial Group
- National List - Vegetable DUS Centre: Chairman
- UK Plant Genetic Resources Group
- Hortax

Dr J Davey

- Scottish Executive Assessor to Advisory Committee on Releases to the Environment (ACRE)
- European Enforcement Group on Deliberate Release

G D Campbell

- Partner in GENRES Project: Future of European Carrot

K M Pearson

- National List - Inter-Departmental Herbage VCU Group

Pesticide Usage and Wildlife Management Section

Dr C J Griffiths

- Advisory Committee on Pesticides
- Inter-Departmental Secretariat
- Working Party on Pesticide Usage Surveys
- Inter-Departmental Fertilisers Evaluation Committee

J P Snowden

- Working Party on Pesticide Usage Surveys

Chemistry Section

Dr K Hunter

- ACP - Environmental Panel

D A Lindsay

- ACP Pesticides Residue Committee
- PRC Analytical Sub-group

Potato Section

Dr S F Carnegie

- National List Potato VCU Group: Chairman
- VTSC Growers Association Committee
- Seed Potato Consultative Panel
- UK Seed Potato Committee
- EU Potato Comparative Trials Group
- UN ECE Specialised Section on Standardisation of Seed Potatoes
- EAPR Disease Resistance Testing Working Group
- EAPR Potato Cultivar Assessment Working Group
- EU Seed Potato Experts Group

Mrs A M Cameron

- National List Potato VCU Group: Member

P Haddon

- National List Potato VCU Group: Minute Secretary

Seed Potato Classification Scheme Section

W J Rennie

- British Crop Protection Council Board of Management
- Scottish Seed Potato Consultative Panel: Chairman
- Crop Protection in Northern Britain, Standing Committee: Chairman
- British Potato Council Seed Potato Forum

C Laing

- Scottish Seed Potato Consultative Panel

Miss C J Landels

- Scottish Seed Potato Consultative Panel

Dr F G L Hartley

- MAFF Rabies Wildlife Control Working Group
- Goose Science Advisory Group
- Partnership for Action against Wildlife Crime - Scottish Working Group

Plant Health Section

Dr J M Chard

- British Society for Plant Pathology: Board Member
- UK Plant Health Co-ordination Group

Dr C J Jeffries

- EU Virus Experts Group: Co-ordinator
- EPPO Potato Phytosanitary Measures Panel
- EAPR Virology Section: Chairman

Dr J Wood

- Advisory Committee on Genetic Modification
- ACGM Technical Sub-Committee

Virology and Zoology Section

Dr J Pickup

- BCPC Science and Technology Committee, Pests and Diseases Working Group
- Scottish Aphid-borne Virus Working Party
- AAB Specialist Group Committee for Nematology
- Scottish Seed Potato Consultative Panel

Mrs I Browning

- EAPR Virology PVY^{NTN} Working Group: Co-ordinator

Diagnostics and Molecular Biology Section

Dr G Saddler

- Scientific Organising Committee of the International Bacterial Wilt Symposium
- International Society for Plant Pathology Subcommittee on Taxonomy of Plant Pathogenic Bacteria
- Systematics and Evolution Group Committee of the Society for General Microbiology: Convener
- International Committee on Prokaryote Systematics: Executive Secretary

V Mulholland

- UPOV Biochemical & Molecular Techniques Working Group: *Ad hoc* subgroup on molecular techniques for Oilseed Rape

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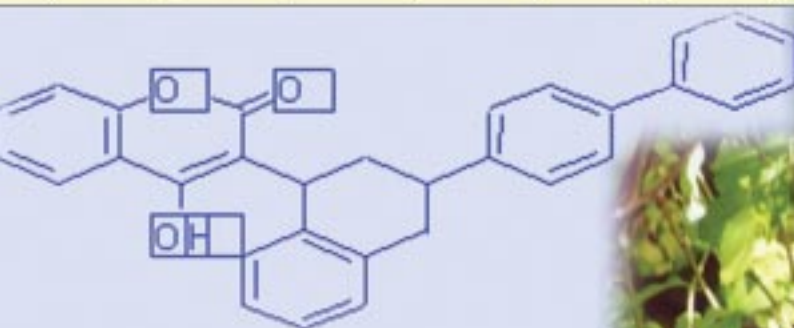
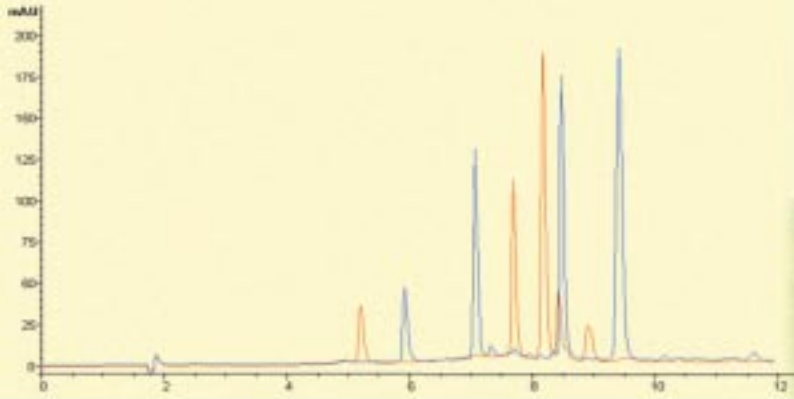
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