SCOTTISH AGRICULTURAL SCIENCE AGENCY

Annual Report and Accounts 1997-98

SASA

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Annual Report and Accounts 1997-98

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Scottish Agricultural Science Agency

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An Executive Agency of The Scottish Office Agriculture, Environment and Fisheries Department

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Organisation Chart

DIRECTOR

Dr R K M Hay

PESTICIDES, PLANT VARIETIES & SEEDS

S R Cooper
(Deputy Director)

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

POTATO, PLANT HEALTH & ZOOLOGY

W J Rennie

Potato	Plant Health	Diagnostics & Molecular Biology	Zoology
Dr S F Carnegie	Dr J M Chard	Dr K J O'Donnell	Dr J Pickup

ADMINISTRATION AND SUPPORT SERVICES

Administration	Farm	Horticulture	Information Technology
Mrs S M Quinn	R Campbell	D McIntyre	P J Winfield

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Status, Aim and Functions

Status

The Scottish Agricultural Science Agency (SASA) was established on 1 April 1992 as an Executive Agency of the Scottish Office Agriculture, Environment and Fisheries Department.

Aim

The Agency exists to provide government with expert scientific information 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 (EU) and other international legislation and agreements on plant health, bee health, variety registration and crop improvement, regulation of genetically manipulated organisms (GMOs), and the protection of crops, food and the environment.

Since SASA's principal customer is SOAEFD, the Agency operates mainly for Scottish interests, but it also seeks to meet the requirements of other Agriculture Departments as well as various UK and international bodies, local government, academic and research institutes, 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 SOAEFD 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, GMOs, and crop, food and environmental protection.
- to support SOAEFD's legislative and policy responsibilities and assist in SOAEFD'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; 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 a scientific and technical input.
- to maintain and develop the scientific and technical competence needed to respond quickly and effectively to the evolving needs of customers for scientific and technical expertise and services, by maintaining a continuous programme of challenging and well focused research and development.
- to improve the effectiveness of SASA by using the scientific resource to provide scientific and technical services to other customers in relevant areas of work.

Director's Report

I am pleased to lay before Parliament this report of the work and achievements of the staff at SASA during 1997-98. The report concentrates upon the financial aspects of the Agency, and its performance against key targets set by the Secretary of State for Scotland. A full report of the scientific work and achievements over the first 5 years of agency status was published in March 1998.

The report year was particularly important in the development of SASA as an Executive Agency of SOAEFD. During the year, its Framework Document was thoroughly revised, and now includes a comprehensive Financial Memorandum, defining the roles and responsibilities of SASA and its parent Department. The year also saw the culmination of negotiations with HM Treasury for a net running costs regime for SASA; as from 1 April 1998, the Agency will be able to earn modest amounts of additional running costs from new work and new customers, on the understanding that such activities do not compromise the delivery of the services detailed in the service level agreement with SOAEFD.

Other major challenges during the report period included the development of enhanced finance and purchasing teams; adaptation to the new pay and grading system introduced by The Scottish Office; formulation of improved procedures for the procurement of IT services; the extension of quality assurance accreditation to seed testing activities; and the continued upgrading of laboratory facilities to meet health and safety and quality assurance standards, as well as the exacting demands of new technology.

The Agency has formulated a 2 year plan to ensure its services and equipment continue to be effective in the next Millennium. The plan, encompassing desk-top IT services, bespoke software, embedded chips and external suppliers and customers, is on target on ensure 'Y2K compliance' in 1999. This work is proceeding in coordination with The Scottish Office as a whole. The cost of the programme, including £200,000 for 'technology refresh' and a further £350,000 for other work, will be met within existing funding.

As in previous years, none of this could have been achieved without 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 and in SASA.

DR R K M HAY

Director

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, SOAEFD, on the appropriate portfolio of performance targets to cover these wide range of interests.

Performance against the targets set by Scottish Office Ministers for 1997-98 was as follows.

1. Fulfilment of the Service Level Agreement with SOAEFD within the running costs allocated to SASA for 1997-98.
   Target achieved: Departmental customers for the work of the Agency confirm their satisfaction with the delivery of the 1997-98 Service Level Agreement.

2. Continuation of the programme of consultation with all customers on the quality of the work done by the Agency.
   Target achieved: as part of a continuing programme of consultation.

3. Completion of 93% of all scientific tests and analyses within the timescales set by customers.
   Target achieved: a timeliness of 96.6% was achieved, compared with 97.1% in 1996-97.

4. Improvement in the unit costs of the scientific work of the Agency (cost per direct scientist hour).
   Target achieved: overall cost reduction measures have been effective in 1997-98, excluding the impact of the permanent diminution of land and buildings at East Craigs (note 8 to the Annual Accounts).

5. Publication of a comprehensive review of the scientific work of the Agency 1992-97.
   Target achieved: five year science review published in March 1998.

The following key performance targets have been set by Scottish Office Ministers for 1998-99:

Milestone targets:

- Fulfilment of the Service Level Agreement with SOAEFD within the budget allocated for 1998-99;
- Continuation of the programme of consultation of all customers on the quality of the work done by the Agency;

Quantitative targets:

- Achievement of the target income of £50,000 from new work or new customers;
- Completion of 94% of all scientific tests and analyses within the timescales set by customers;
- Improvement in the unit cost of the scientific work of the Agency (cost per direct scientist hour).

Consulting Our Customers

One of SASA's performance targets is the continuation of the programme of consultation with our major customers on the quality of the work done by the Agency. Each year a different aspect of SASA's work is subject to consultation with our customers. In 1997-98 we consulted with The Plant Variety Rights Office and Seeds Division of MAFF and the Pesticide Safety Directorate. Our contacts with both these bodies are limited to specific and narrow areas, but we are keen to see how we performed on specific tasks, rather than the broader-range surveys often undertaken.

The respondents commented that their contacts were limited and covered specific areas and that they would not necessarily expect to have any wider knowledge of SASA or its services. Overall the response was very positive and a summary is set out below.

100%	Find SASA staff very helpful and pleasant.
100%	Satisfied or very satisfied with the services received from SASA.
100%	Satisfied that SASA's services provide good value for money.
100%	Find costs clear and unambiguous.
100%	Find SASA delivers its services always on time or most of the time.
100%	Find SASA's advice sound and objective, but 33% find it not always appropriate to their needs.
66%	Only know of specific activities and services available at SASA; and find that SASA's estimated timescales meet their requirements, but 33% would prefer a faster service.

Administration and Support Services

The process of change continued within Administration and Support Services in seeking to maximise the use of the resources available.

Personnel

SASA continues to implement many of The Scottish Office policy initiatives, including the introduction of a new pay and grading system from 1 April 1998. A major achievement in the year was the Agency's Investors in People accreditation, under the umbrella of The Scottish Office. The introduction of a new HR IT system took place and planning for a new payroll system was also undertaken. The 1997 pay award included some changes to staff's terms and conditions with paternity leave being increased to 5 days and the Scottish Office Contractual Maternity Arrangements increasing paid maternity leave to 15 weeks.

SASA continues to emphasise the importance of equality of opportunity, operating on the basis that all eligible people shall have equal opportunity for employment and advancement in SASA on the basis of their ability and qualifications and fitness for the work. SASA will not tolerate any discrimination on grounds of disability, race, colour, ethnic origin, sex, marital status, sexual orientation or religion.

SASA has the appropriate systems in place to ensure that recruitment is carried out on the basis of fair and open competition and on merit in accordance with the recruitment code laid down by the Civil Service Commissioners. During 1997-98 SASA held 8 open competitions and successfully appointed 7 candidates (2 at ASO, 2 at HSO, 1 SEO (Accountant), 1 SGBII and 1 AA). Of these appointments 3 were female and 4 were male. None of the appointees came from an ethnic minority background or declared a disability. Six other posts were also filled, 2 on promotion, 2 under the terms of the Annual Science Review and 2 on transfer from the Scottish Office.

Staff by grade and gender at 31 March 1998

	Males		Females		Total	
Grade/Level	No	%	No	%	No	%
Senior Civil Service	1	1.6	0	0	1	0.8
UG 6	2	3.1	0	0	2	1.6
UG 7	8	12.5	2	3.1	10	7.7
SSO/SEO	6	9.3	1	1.5	7	5.4
HSO/HEO	11	17.2	13	20.0	24	18.6
SO/EO	8	12.5	12	18.5	20	15.5
ASO/AO	11	17.2	28	43.1	39	30.3
AA	1	1.6	6	9.2	7	5.4
Support Grade	5	7.8	2	3.1	7	5.4
Associate Grade	3	4.7	1	1.5	4	3.1
Agricultural	8	12.5	0	0	8	6.2
Total	**64**	**100**	**65**	**100**	**129**	**100**

Staff Number as at 31 March 1998: 129

Male: 64 Female: 65

The Agency's figures for staff from Ethnic Minority backgrounds & Staff with Disabilities are less than 5 in each category.

From 1 April 1998 staff will be assimilated on to the new structure of 3 main bands and 10 pay ranges.

Finance

A decision was made to separate the functions of finance and purchasing which was implemented in August 1997. Some transfer of staff took place in addition to changes in accommodation and these movements have bedded in well.

The post of Finance Manager was filled, on a permanent basis, in December by Anne Monk. We are however very appreciative of the contribution made by Kevin McGuinness who worked with us in the post on a temporary basis from May to December.

The year has seen work done in support of SASA's bid for a net running cost regime, effective from 1 April 1998. Next year will bring the challenge of managing that change and the need to develop a financial reporting system to meet the new requirements.

Purchasing

Following the separation from Finance, SASA's purchasing capability was strengthened with the appointment of a purchasing specialist and other staff changes resulted in a complete new team in this area. This has been a challenging period with the integration of the new staff and the additional procurement responsibility for IT resulting in changes to procedures for ordering and payment of goods.

In addition several key service contracts for SASA have been retendered this year, eg cleaning and security, both of which were awarded to new contractors.

Property

Another very busy year for this section which continues to provide advice and assistance to all at East Craigs and Gogarbank. A review of the capital works design consultancy team was undertaken and term commissions put in place to simplify tendering procedures and ensure continuity of advice, as well as value for money.

The capital works programme focused on the Mary Noble building where upgrading of facilities was carried out in the Quarantine Unit and the Entomology Section. Previous upgrades to the building had provided the building team with useful information on services and helped minimise disruption to other users of the building. SASA's commitment to improving facilities for disabled on site continued with the creation of a disabled toilet and shower unit in the Cairn Building.

Health and Safety has a high priority at SASA and, following risk assessments of Gogarbank Farm, the lighting and fire alarm systems were upgraded in the main steading.

Income and Expenditure Account

for the year ended 31 March 1998

	Notes	1998 £000	1997 £000
Income			
Income from activities	2	1,230	1,280
Expenditure			
Staff costs	3	2,776	2,848
Depreciation	8	710	649
Permanent diminution	8	803	–
Other operating charges	4	1,574	1,596
		5,863	5,093
Net Expenditure before Exceptional Costs and Interest on Capital		4,633	3,813
Interest on capital	7	615	625
Excess of Expenditure over Income transferred to General Reserve		**5,248**	**4,438**

Statement of Total Recognised Gains and Losses

for the year ended 31 March 1998

	1998 £000	1997 £000
Excess of expenditure over income for the financial year	5,248	4,438
Net deficit (surplus) on revaluation of assets in addition to that recognised as a permanent diminution in value in the income and expenditure account	738	(978)
Total recognised losses relating to the year	**5,986**	**3,460**

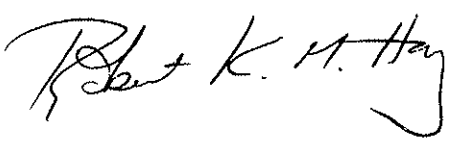
The notes on Pages 15 to 23 form part of these accounts.

Balance Sheet

at 31 March 1998

	Notes	1998 £000	1998 £000	1997 £000	1997 £000
Fixed Assets					
Tangible assets	8		9,265		10,789
Current Assets					
Stocks		2		2	
Debtors	9	279		314	
Cash at bank and in hand		2		2	
		283		318	
Creditors: amounts falling due within one year	10	88		99	
Net Current Assets			195		219
Total Assets less Current Liabilities			**9,460**		**11,008**
Financed by:					
Capital and Reserves					
General reserve	11		7,962		8,772
Revaluation reserve	12		1,498		2,236
			9,460		**11,008**

The notes on pages 15 to 23 form part of these accounts.



DR R K M HAY

Director

3 July 1998

Cash Flow Statement

for the year ended 31 March 1998

	Notes	1998 £000	1998 £000	1997 £000	1997 £000
Operating Activities					
Net Cash Outflow from Operating Activities	*16*		3,326		3,164
Capital Expenditure and Financial Investment					
Acquisition of tangible fixed assets:		738		918	
Receipts from disposals of tangible fixed assets		(7)		(7)	
Net Cash Outflow from Investing Activities			731		911
Net Cash Outflow before Financing			**4,057**		**4,075**
Financing					
Net Cash Inflow from Financing	*17*		**4,057**		**4,075**

The notes on pages 15 to 23 form part of these accounts.

Notes to the Accounts

for the year ended 31 March 1998

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historic cost convention modified to include the revaluation of fixed assets at their value to the business by reference to their current costs. Without limiting the information given, the accounts meet the accounting and disclosure requirements of the Companies Act 1985 and accounting standards issued or adopted by the Accounting Standards Board so far as those requirements are appropriate.

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 rests with the Secretary of State for Scotland. This reflects the Agency's position as the principal beneficial user of this property. Although SASA is charged a rental for the accommodation it occupies, this has been eliminated from the accounts and the corresponding entries against the General Reserve, in favour of recognising the capital charges in the Income and Expenditure Account and net book value in the Balance Sheet.

The valuation of land and buildings is on the basis of open market value for existing use. Professional valuations of land and buildings are to be 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	over 50 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.

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. 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.

Early Departure Costs

The cost of early departures has been funded under arrangements announced in the Civil Service White Paper "Continuity and Change" published in July 1994, with the minor part of the cost borne by the Agency and the majority borne by the Civil Superannuation Vote.

Government policy is that the full cost of an Agency's activities should be included in its own accounts even where, as in this case, some of the costs are borne elsewhere in Government. Normal accounting practice is to provide for the full cost of early departure of employees in the year in which the early departure decision is made. However such treatment would not reflect the fact that the greater proportion of the Agency's early departures is funded by the Civil Superannuation Vote. Consequently the Treasury has issued a Direction that, whereas the Agency's share of the cost should be charged to its Income and Expenditure Account in full in the year that the cost is incurred, the annual payments from the Civil Superannuation Vote should only be reflected (as notional costs) in each year's accounts when actually paid.

2. SEGMENTAL ANALYSIS OF INCOME AND EXPENDITURE

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

	Income **1998** £000	Expenditure **1998** £000	Net Departmental Cost **1998** £000	Income **1997** £000	Expenditure **1997** £000	Net Departmental Cost **1997** £000
Support Services	85	2,784	2,699	118	2,489	2,371
Pesticides, Plant Varieties and Seeds	935	2,059	1,124	978	1,722	744
Potato, Plant Health and Zoology	210	1,635	1,425	184	1,507	1,323
	1,230	**6,478**	**5,248**	**1,280**	**5,718**	**4,438**

The 1998 expenditure includes £803,000 for the permanent diminution of the value of property used by the Agency.

3. STAFF COSTS

	1998 £000	**1997** £000
Wages and salaries	2,309	2,359
Social security costs	167	176
Other pension costs	300	313
	2,776	**2,848**

The salaries of higher-paid employees, including the Director, fell within the following ranges:

	1998 Number	**1997** Number
£40,000 to £44,999	1	1
£45,000 to £49,999	1	1
£50,000 to £54,999	1	–
	3	**2**

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

	1998 Number	1997 Number
Scientists	82	82
Support staff	40	45
	122	**127**

The emoluments, excluding pension contributions, of the Director were £50,528 (£48,721 in 1997). The Director is an ordinary member of the Principal Civil Service Pension Scheme.

The employees of SASA are Civil Servants and members of the Principal Civil Service Pension Scheme to whom the conditions of the Superannuation Acts 1965 and 1972 and subsequent amendments apply. For 1997-98, contributions of £300,000 were paid to the Paymaster General at rates determined from time to time by the Government Actuary and advised by HM Treasury. In 1997-98, these rates were 11% for grades up to AO (and equivalent), 13.5% for grades EO to SEO (and equivalents) and 17.5% for grades 7 to 5 of pensionable pay for non-industrial staff and 13% for industrial staff.

4. OTHER OPERATING CHARGES

	1998 £000	1997 £000
Personnel related costs	33	13
Premises related expenditure	988	918
Transport related expenses	93	83
Supplies and services	655	625
Agency and contracted services	–	(13)
Notional charges (see Note 5)	182	346
(Profit) on disposal of fixed assets	(4)	(3)
	1,947	1,969
Rental adjustment (see accounting policies - fixed assets)	(373)	(373)
	1,574	**1,596**

5. NOTIONAL CHARGES INCLUDED WITHIN EXPENDITURE

	1998 £000	1997 £000
Early departure costs (note 6)	67	217
Insurance	23	24
Audit fee	12	12
Services provided by The Scottish Office	80	93
	182	**346**

No outside insurance is effected against fire, explosion, common law, third party, and similar risks. Notional premiums based on rates advised by HM Treasury have been included in the accounts to reflect the costs of such risks. At 31 March a corresponding provision has been carried forward in creditors on the Balance Sheet, against which costs have been charged which would be eligible for insurance recovery.

6. EARLY DEPARTURE COSTS

No early departure decisions were taken in 1997-98 and at the start of the year costs were brought forward of £179,000 in respect of decisions made in 1995-96 and 1996-97. The charge to this year's income and expenditure account is £67,000 of which £29,000 is payable in respect of leavers in 1995-96 and £38,000 in respect of leavers in 1996-97. The remaining £112,000 will be included in expenditure for the years in which payments are actually made.

	1998 £000	Future Years £000	Total £000	1997 £000
Costs accounted for in year:	67	112	179	217
Of which contributed by the Civil Superannuation Vote:	63	99	162	204

7. INTEREST ON CAPITAL EMPLOYED

Interest of £615,000 (1997: £625,000) 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 Treasury guidelines; capital employed is defined as Total Assets less Current Liabilities.

12. REVALUATION RESERVE

	1998 £000	1997 £000
At 1 April 1997	2,236	1,258
(Deficit)/ surplus arising on revaluation and indexation during the year	(714)	1,019
Less: Backlog depreciation	(24)	(41)
At 31 March 1998	**1,498**	**2,236**
of which:-		
Realised	378	326
Unrealised	1,120	1,910
	1,498	**2,236**

The realised element represents the net cumulative total of the adjustments that have passed through the Income and Expenditure Account.

13. CAPITAL COMMITMENTS

	1998 £000	1997 £000
Contracted	9	50
Authorised but not contracted	205	348

14. OTHER FINANCIAL COMMITMENTS

At 31 March 1998 the Agency had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	1998 £000	1997 £000
Operating leases which expire:		
Within one year	7	6
In two to five years	–	–
	7	**6**

A further commitment in respect of the annual rental charge for the East Craigs site has been eliminated from the accounts. The basis for this is explained in Accounting Policies - Fixed Assets.

15. CONTINGENT LIABILITY

There were no material contingent liabilities at 31 March 1998.

16. RECONCILIATION OF EXCESS OF EXPENDITURE OVER INCOME TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	1998 £000	1997 £000
Excess of expenditure over income	5,248	4,438
Rental adjustment	373	373
Depreciation charges	(710)	(649)
Permanent diminution	(803)	–
Adjustments for notional and other non-cash costs		
Early departure costs	*(67)*	*(243)*
Interest on capital employed	*(615)*	*(625)*
Audit fee	*(12)*	*(12)*
Services provided by The Scottish Office	*(80)*	*(93)*
Notional set aside receipt	*20*	*20*
	(754)	(953)
Profit on sale of tangible fixed assets	4	3
Increase/(Decrease) in stocks	–	(39)
Increase/(Decrease) in debtors	(36)	(44)
Increase/(Decrease) in cash	–	1
(Increase)/Decrease in creditors	4	34
Net cash outflow from operating activities	**3,326**	**3,164**

17. RECONCILIATION WITH DRAFT APPROPRIATION ACCOUNT CLASS XIII, VOTE 1

	1998 £000	1997 £000
Subhead E1 - running costs	4,493	4,454
Subhead E3 - capital expenditure	823	969
Subhead H4 - licence fees	1	1
Subhead EZ - appropriations in aid	(1,260)	(1,349)
Net cash inflow from financing	**4,057**	**4,075**

18. RELATED PARTY TRANSACTIONS

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

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

I certify that I have audited the financial statements on pages 9 to 23 under the Exchequer and Audit Departments Act 1921. 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 15 to 16.

Respective Responsibilities of Agency, the Director and Auditor

As described on page 11 the Agency and Accounting Officer are responsible for the preparation of financial statements and for ensuring the regularity of financial transactions. It is my responsibility to form an independent opinion, based on my audit, on those statements and on the regularity of the financial transactions included in them and to report my opinion to you.

Basis of Opinion

I conducted my audit in accordance with the 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 Director 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 mis-statement, whether caused by error or by fraud or other irregularity and that in all financial transactions conform to 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 the Scottish Agricultural Science Agency at 31 March 1998 and of its excess of expenditure over income, 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;
- 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

Date: 20 July 1998

National Audit Office

22 Melville Street

Edinburgh EH3 7NS

Accounts Direction Given by the Treasury

The Treasury, in pursuance of Section 5 of the Exchequer and Audit Departments Act 1921, hereby gives the following Direction:

1. The statement of accounts which it is the duty of the Scottish Agricultural Science Agency (SASA) to prepare in respect of the financial year ended 31 March 1994 and in respect of any subsequent financial year shall comprise:

   a. a foreword;
   b. an income and expenditure account;
   c. a balance sheet;
   d. a cash flow statement; and
   e. a statement of total recognised gains and losses;

including in each case such notes as may be necessary for the purposes referred to in the following paragraphs.

2. SASA shall observe all relevant accounting and disclosure requirements given in "Government Accounting" and "Trading Accounts: A Guide for Government Departments and Non-Departmental Public Bodies" (the "Trading Accounts booklet"), as amended or augmented from time to time.

3. The statement of accounts referred to above shall give a true and fair view of the income and expenditure, state of affairs and cash flows of SASA. Subject to the foregoing requirements, the statement of accounts shall also, without limiting the information given and as described in Schedule 1 of this Direction meet:

3.1 the accounting and disclosure requirements of the Companies Acts;

3.2 best commercial accounting practices including accounting standards issued or adopted by the Accounting Standards Board, with the exception of the requirement contained in FRS3 for the inclusion of a note showing historical cost profits and losses;

3.3 any disclosure and accounting requirements which the Treasury may issue from time to time in respect of accounts which are required to give a true and fair view;

3.4 any additional disclosure requirements contained in "The Fees and Charges Guide", in particular those relating to the need for appropriate segmental information for services or forms of service provided;

insofar as these are appropriate to SASA and are in force for the financial period for which the statement of accounts is to be prepared.

4. Additional disclosure requirements are set out in Schedule 2 of this Direction.

5. The income and expenditure account and balance sheet shall be prepared under the historical cost convention modified by the inclusion of:

   5.1 fixed assets at their value to the business by reference to current costs; and

   5.2 stocks valued at the lower of cost, or net current replacement costs where materially different, and net realisable value.

T J BURR
Treasury Officer of Accounts
HM Treasury

24 June 1994

Schedule 1

Application of the Companies Acts Requirements

1. The disclosure exemptions permitted by the Companies Act in force for the financial period for which the statement of accounts is to be prepared shall not apply to SASA unless specifically approved by the Treasury.

2. The foreword shall contain the information required by the Companies Act to be disclosed in the Director's Report, to the extent that such requirements are appropriate to SASA.

3. In preparing its income and expenditure account and balance sheet, SASA shall adopt respectively format 2 and format 1 prescribed in Schedule 4 to the Companies Act to the extent that such requirements are appropriate to SASA. Regard should be had to the examples in Annex C of the Trading Accounts booklet, in particular the need to strike the balance sheet totals at "Total Assets less Current Liabilities".

4. The foreword and balance sheet shall be signed and dated.

5. For the 1993-94 accounts no comparative figures shall be shown in respect of the income and expenditure account and cash flow statement. The balance sheet shall show comparative information as at 1 April 1993.

6. Although SASA prepares its accounts under the modified historical cost convention, it is exempt from providing the additional information required by paragraph 33 (3) of Schedule 4 to the Companies Act.

Additional Disclosure Requirements

1. The foreword shall, inter alia;

   1.1 state that the accounts have been prepared in accordance with a direction given by the Treasury in pursuance of Section 5 of the Exchequer and Audit Departments Act 1921;

   1.2 include a brief history of SASA and its statutory background. Regard should be had to Annexes B and C of the Trading Accounts booklet.

2. The notes to the accounts shall, inter alia, include details of the key corporate financial target set by the responsible Minister together with an indication of the performance achieved.

3. The accounts direction shall be reproduced each year as an annex to the accounts.

Representational Duties of SASA Staff During 1997-98

Directorate Group

Interdepartmental Group on Energy Crops and Renewable Energy	Dr R K M Hay
Editor of Annals of Botany	Dr R K M Hay
Committee of Heads of Agricultural and Biological Organisations in Scotland (CHABOS)	Dr R K M Hay
Biomathematics and Statistics Scotland Management Advisory Committee	S R Cooper
International Seed Testing Association Executive Committee	S R Cooper
Plant Varieties and Seeds Committee	S R Cooper
National List and Seeds Committee	S R Cooper
UK Plant Varieties and Seeds Advisory Body	S R Cooper
British Crop Protection Council	W J Rennie
Seed Potato Consultative Panel	W J Rennie
BCPC Seed Treatment Working Party	W J Rennie
Crop Protection in Northern Britain, Standing Committee	W J Rennie
7th International Congress of Plant Pathology: Organising Committee	W J Rennie
Scottish Management Advisory Committee (CHABOS)	Mrs S M Quinn

Official Seed Testing Station

ISTA - Tetrazolium Testing Committee	R Don

Cereals Section

National List - Interdepartmental Combinable Crops VCU Group	G P Hall
EC Cereals Comparative Trials Group (Winter wheat, Winter barley, Spring oats)	G P Hall

Herbage & Vegetable Crops Section

UPOV Technical Working Party for Vegetables	F N Green
EC Comparative Trials:	
Carrot ring test	Dr J C Davey
Leek (including Young Plant)	Dr J C Davey

Turnip rape	G D Campbell
Swede rape	F N Green
National List - Chairman of Vegetables DUS Centre	F N Green
National List - Interdepartmental Herbage VCU Group	K Pearson
UK Plant Genetic Resources Group	F N Green

Potato Section

National List - Potato VCU Group	
Chairman:	Dr S F Carnegie
Member:	Mrs A M Cameron
VTSC Growers Association	Dr S F Carnegie
Seed Potato Consultative Panel	Dr S F Carnegie
UK Seed Potato Committee	Dr S F Carnegie
EC Potato Comparative Trials Group	Dr S F Carnegie
UN ECE Group of Seed Potato Experts	Dr S F Carnegie
EAPR Disease Resistance Testing Working Group	Dr S F Carnegie
EAPR Potato Cultivar Assessment Working Group	Dr S F Carnegie
EPPO Seed Potato Panel	Dr S F Carnegie

Plant Health Section

7th International Congress of Plant Pathology: Local Arrangements Committee	Dr J M Chard
Co-ordinator of EC Virus Experts Group	Dr C J Jeffries
Interdepartmental Committee for post-entry Quarantine of Potato Material	Dr C J Jeffries

Diagnostics and Molecular Biology Section

7th International Congress of Plant Pathology: Local Arrangements Committee	Dr K J O'Donnell
British Society for Plant Pathology: Membership Secretary	Dr K J O'Donnell

Pesticide Usage and Wildlife Management Section

Advisory Committee on Pesticides	Dr C J Griffiths
Inter-departmental Secretariat	Dr C J Griffiths
Working Party on Pesticide Usage Surveys	Dr C J Griffiths J P Snowden
Scottish Weeds Group	Dr C J Griffiths
Interdepartmental Fertilisers Evaluation Committee	Dr C J Griffiths
MAFF Rabies Wildlife Control Working Group	Dr G A Hartley
Scottish Centre for Wildlife Studies - Wildlife Group	Dr G A Hartley

Chemistry Section

ACP - Environmental Panel	Dr K Hunter
ACP - Working Party on Pesticide Residues	D A Lindsay
WIIS Steering Group	Dr K Hunter
WPPR - Fruit and Vegetable Sub-group	D A Lindsay
WPPR - Cereals Sub-group	A Newton
WPPR - Animal Products Sub-group	A Newton
British Agrochemical Association - Environmental Research Committee	Dr K Hunter

Zoology Section

BCPC Technical Sub-committee on Pests and Diseases	Dr J Pickup
Scottish Aphid-borne Virus Working Party	Dr J Pickup
AAB Specialist Group Committee for Nematology	Dr J Pickup

Library

Scottish Agricultural Librarians Group	Mrs L J Clark
Agency Information Group	Mrs L J Clark

SASA Contact Points – from 1 July 1998

This list gives the names and telephone extension numbers of those staff at SASA who will be able to provide information and advice on the subjects or services shown against their names. Telephone enquiries may be made direct to the person concerned by dialling 0131 244 (the GTN access code is 7188) followed by the 4 figure extension number listed. For general enquiries, please telephone extension 8890 or fax to extension 8940. All enquiries from the press should be directed in the first instance to The Scottish Office Information Directorate. The number for this is 0131 244-2530.

Many of the staff at SASA can be contacted directly using e-mail. The address is surname@sasa.gov.uk and this should all be entered in lower case. Where the surname requires modification this is indicated by an * and listed at the end of this section.

Official Seed Testing Station

Head of Section and Chief Officer	Ron Don	8891
General Enquiries:		
Seed Testing and Results	Caroline Cadger	8908
Requests for sample packets and price lists	Margaret Orr	8869
Seed Health	Valerie Cockerell*	8900
Seed Testing, Quality and Sampling Courses	Ron Don	8891

Cereals Section

Head of Section	Jack Davidson	8838
General Enquiries:	Jack Davidson	8838
	Gerry Hall*	8856
Fees and forms	Kate Flinn	8833
Training Courses	Bob Sunter	8815
Varietal Identity Tests	Fiona McKay	8875
Combinable Crops VCU	Gerry Hall*	8856

Herbage & Vegetable Crops Section

Head of Section	Niall Green	8853
DUS tests EC and UPOV matters, Pre-DUS tests	Niall Green	8853
Plant Breeders' Rights/Plant Intellectual Property Rights/Legislation on GMO's/ EU Comparative Trials	Dr Jonathan Davey	8837

DUS tests/descriptions/requests for seed for:			
Field Pea and Pea, Onion, Brussels Sprout	Morellen Thomson		[illegible]
Beetroot, Curly Kale, Turnip, Turnip Rape, Swede	George Campbell		[illegible]
Cabbage, Carrot, Celery, Leek, Radish, salad & storage	Dr Jonathan Davey		8837
Genetic Resources:			
Requests for germplasm and/or information	Niall Green		8853
Certification of all non-Cereal Seed Crops:			
Advice to seed trade, training courses for seed sampling	Ken Pearson		8885
UK VCU Trials: Herbage Crops	Ken Pearson		8885
Herbage Evaluation and Selection Trials: WPBS Trials	Ken Pearson		8885
Potato Section			
Head of Section	Dr Stuart Carnegie		8858
Classification, Variety Testing (UK VCU)	Arlene Cameron		8878
Tuber diseases - diagnosis and pathology	James Choiseul		8931
Nuclear Stock Production	Sandra Goodfellow*		8852
Plant Health Section			
Head of Section	Dr Jane Chard		8863
General enquiries including bee diseases	Dr Jane Chard		8863
Potato Quarantine	Dr Colin Jeffries		8868
Licensing	Stephen Langrell		8937
Potato Spindle Tuber Viroid	Tina James	0131 650	6433
Bacteriology	Dr John Wood		8872
Diagnostics and Molecular Biology Section			
Head of Section	Dr Kevin O'Donnell*		8924
Molecular Biology	Vince Mulholland*		8845
Virology/Virus Testing	Isla Browning		8916
Potato Wart Disease	Isla Browning		8916
Monoclonal Antibody Production	Robert Burns		8911

Pesticide Usage and Wildlife Management Section

Head of Section	Dr Chris Griffiths*	8862
Pesticide Approval Information	Dr Chris Griffiths*	8862
Arable Crops	Jeremy Snowden	8904
Storage Chemicals, Sheep Dips	Louis Thomas	8909
Protected crops - rodenticides	Louis Thomas	8909
Soft Fruit, Vegetables for human consumption	Maureen McCreath Jeremy Snowden	8808 8904
Vertebrate Pest Control and Licensing	Dr Gill Hartley	8804
Vertebrate R&D	Dr Gill Hartley	8804
Rabies Contingency Planning	Dr Gill Hartley	8804

Chemistry Section

Head of Section	Dr Ken Hunter	8864
Pesticide Enquiries	Dr Ken Hunter	8864
Wildlife Incident Investigation Scheme, Vertebrates and Honeybees	Elizabeth Sharp	8874
Pesticide Residues in Foods	Tony Newton David Lindsay	8983 8855
Contract Analyses	Dr Ken Hunter	8864
Gas-chromatography	David Lindsay	8855
High Performance Liquid Chromatography	Dr Ken Hunter	8864
Mass Spectrometry	Tony Newton	8921

Zoology Section

Head of Section	Dr Jon Pickup	8859
General Enquiries:		
Nematology	Andrew Harris	8817
Entomology	Paul Shave	8846
Aphid Monitoring and Potato Virus Epidemiology	Dr Jon Pickup	8859

Administration and Support Services

Head of Section	Shelagh Quinn	8880
Finance Manager	Anne Monk	8811
Accounts	Dr Ros Cockerell*	8850
Personnel	Carol Heatlie	8805
Purchasing & Supply	Maggie Wright	8821
Property	Alex Russell	8832
Library	Lynda Clark	8826
Photography	Sylvia Breslin	8827
Farm	Robert Campbell	0131 339 8319
Gardens/Glasshouses	David MacIntyre	8816

Information Technology Services

Head of Section	Peter Winfield	8914
IT strategy and development manager	Peter Winfield	8914
Network Services, IT Security	David Mitchell	8834
Systems Development	Sheena Haveman	8839
Systems Administration	Karl Ransome	8889
Helpdesk and IT Training	Audrey Fallon	8822

Surname Changes for E-Mail

Cockerell, R	to	cockerr
Cockerell, V	to	cockerel
Hall	to	hallg
Thomson	to	thomsonm
Goodfellow	to	goodfell
O'Donnell	to	odonnell
Mulholland	to	mulholl
Griffiths	to	griffith
Harris	to	harrisa.

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