

THE BRITISH NUTRITION FOUNDATION
(Limited by Guarantee)

Company Registration Number 898651
Charity Registration Number 251681
Scottish Charity Number SCO40061

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st MAY 2013



The British Nutrition Foundation

Report of the Board of Trustees as at 31st May 2013

STRUCTURE, GOVERNANCE AND MANAGEMENT

Reference and Administrative Details

Charity Number: 251681

Scottish Charity Number SCO40061

Company Number 898651

Principal Office

Imperial House, 15-19 Kingsway, London WC2B 6UN

Directors and Trustees

The Directors of the Foundation are its trustees for the purposes of charity law and throughout this report are collectively referred to as the trustees

The trustees during the year were

Professor J Blundell BSc PhD FBPsS
Mr M Collyer FIFST (Honorary Treasurer)
Miss G Fine MSc (Vice-Chairman from 20th November 2012)
Mr RJ Fletcher BSc (left w e f 20th November 2012)
Professor KR Fox PhD FFPH (left w e f 18th March 2013)
Mrs FCA Gallagher BA FRSA
Mr D Gregory CSci FIFST (Chairman from 20th November 2012)
Mr PE Hebblethwaite BSc MSc CEng FIFST FICHEM (left w e f 20th November 2012)
Miss A Heughan RD
Professor ADB Malcolm MA DPhil CBiol FIBiol FIFST (Chairman until 20th November 2012)
Dr R Pendrous BSc PhD CEng MIM3
Mr I Rayson BA MA (joined w e f 18th January 2013)
Professor I Rowland BSc PhD
Professor TAB Sanders BSc PhD DSc
Mr D Webster BA (joined w e f 18th January 2013)
Professor MJ Wiseman MB BS FRCP FRCPATH FAFN

Senior Staff

Director General
Professor JL Buttriss BSc PhD Dip Diet RNutr FAFN
Education Programme Manager
Roy Ballam BA MA
Science Programme Manager
Sara Stanner BSc MSc RNutr

Professional Advisors

Solicitors
Reed Smith LLP, Beaufort House, 15 St Botolph Street, London EC3A 7EE
Auditors
Kingston Smith LLP, Devonshire House, 60 Goswell Road, London, EC1M 7AD
Bankers
Barclays Bank, Barclays Business, 1st Floor, 27 Soho Square, London W1D 3QR

The British Nutrition Foundation

Report of the Board of Trustees as at 31st May 2013

Constitution and Objectives

Purpose

The British Nutrition Foundation (BNF) is a charity established in 1967 and exists to deliver objective, evidence-based information on food and nutrition in the context of health and lifestyle. Its registered office is at Imperial House, 15-19 Kingsway, London WC2B 6UN (Charity No. 251681), and it is registered as a company limited by guarantee (No. 898651). Its objects are

- To undertake, for the public benefit, the education of the public in nutrition and the dissemination of information relating to nutrition
- The advancement for the public benefit of the training and education of persons involved in the training or education of others in nutrition
- The advancement for the public benefit of the study of, and research into, nutrition

Constitution

The British Nutrition Foundation (BNF) is constituted by the Memorandum and Articles of Association of the Foundation dated February 1967, as altered by Special Resolutions passed in March 1973, November 1978, November 2004 and August 2012. The latest amendment to the Memorandum and Articles of Association removed the previous upper age limit for Trustees and established new terms of office for Trustees, such that Trustees should be appointed for a term of five years and may be re-elected for one further term of five years, subject to the approval of Council. The changes to the Memorandum and Articles of Association were approved by the Members at the Foundation's Council Meeting on 3rd July 2012 and by the Charity Commission on 3rd October 2012.

Statement of Corporate Governance

Activities

The British Nutrition Foundation is a registered charity established 46 years ago. It attracts funding from a variety of sources, including contracts with the European Commission, national government departments and agencies; food producers and manufacturers, retailers and food service companies, grant providing bodies, trusts and other charities. The Foundation exists to make complex science accessible by delivering authoritative, evidence-based information on food and nutrition in the context of health and lifestyle. The Foundation's work is conducted and communicated through a unique blend of nutrition science, education and communications activities.

The principal activities of the Foundation fall under the broad headings of providing scientifically based nutritional information and advice, supporting and encouraging excellence in all aspects of food and nutrition education in schools and elsewhere, and disseminating current scientific understanding through publications, its websites, e-seminars and podcasts, interviews with the media and through the high quality conferences and seminars that it organises. Public interest in, and awareness of, the interactions between food, diet, health and lifestyle continue to grow apace, and the Foundation's staff are experienced in providing balanced advice and impartial scientific interpretation. The Foundation enjoys the active support of eminent scientists, prominent individuals from the educational and medical worlds, as well as from healthcare professionals, the media, and organisations throughout the food chain. Its strong governance is broad based but weighted towards the academic community, and the Foundation is honoured to have Her Royal Highness The Princess Royal as its Patron since 1989.

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Report of the Board of Trustees as at 31st May 2013

Management

The Council consists of Scientific, Industrial and General Governors, and Council acts in an advisory role. Council is also responsible for appointing the Board of Trustees from amongst the Members of Council. Members of the Board of Trustees are Directors and Trustees of the Foundation. The Royal Society of London appoints one Scientific Governor. The Director General and her staff are responsible for the day-to-day management and administration of the Foundation.

Candidates for General and Scientific Governors can apply directly to the Foundation or may be approached on the recommendation of Council should a vacancy arise. The Foundation's industrial members provide a source of candidates whenever a vacancy for an Industrial Governor arises.

In 2012-13, the Council met three times and the Board of Trustees met four times. Meetings are conducted in accordance with the Articles of Association. All policy decisions are recorded in the minutes.

All Council members are required to sign a Declaration of Interests form annually, in accordance with the Foundation's Conflict of Interests Policy and Governors and Trustees are asked to declare any interests at the beginning of each meeting. They are also obliged to sign a Governor Declaration Form, which obliges them to undertake their responsibilities in good faith and in accordance with the law and to act within the Foundation's strategic objectives, purposes and values, and in line with the Foundation's Ethical Policy.

The Foundation's Ethical Policy lists its values and lays down specific policy guidelines to ensure that the Foundation adheres to its charitable objects, behaves ethically and maintains its independence and scientific integrity.

Members of Council and members of the Board of Trustees have adopted a code of practice. This code includes the specific roles of Council and the Board of Trustees and processes for handling conflicts of interest and confidentiality.

A Scientific Advisory Committee and an Industrial Scientists Committee, which meet jointly twice a year, are also established to advise the Foundation on scientific and technical issues. There is an Education Working Group for each of the four UK regions to advise the Foundation on schools' education issues. An Editorial Advisory Board exists to oversee the Foundation's scientific journal, *Nutrition Bulletin*. Task Forces are established to prepare comprehensive reports, which aim to gather the very latest scientific consensus on specific topics, for publication.

Employee Involvement

Employees are kept informed on a regular basis through office meetings at which the work and operation of the Foundation and future plans are discussed. These meetings also provide a forum for employees to put forward suggestions for improving the performance of the Foundation. Other channels are also utilised, such as Programme Meetings that enable staff to participate in decision making processes including, for example, the development and monitoring of workplans. Feedback from employees is additionally received through the annual appraisal process.

Employment Policies

The Foundation is an equal opportunities employer and does not discriminate on the basis of age, sex, religious beliefs or disability. Candidates for employment are considered on the basis of their ability, experience and qualifications. The Foundation maintains a staff handbook, which contains its employment policies, together with its disciplinary and grievance procedures and other relevant information. Flexible working practices are provided where feasible, for example for staff with young children.

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Public Benefit

Through its interactions with governments, the European Commission, healthcare professionals, educators, the media, the food chain and directly with the general public through its websites, the British Nutrition Foundation delivers public benefit and virtually all of the Foundation's work ultimately arrives in the public domain. It makes complex nutrition science accessible to diverse audiences. The Foundation organises and hosts regional conferences each year for school teachers, as well as other conferences and events relating to specific nutrition topics and of interest to academics, healthcare professionals, food industry personnel and the media, and has initiated an online training programme targeting those interested in the basic principles of nutrition and healthy eating as well as specific groups (e.g. caterers). The BNF Education Group has extensive experience in the development, design and launch of innovative teaching and learning materials for all types of school throughout the UK. The Group continues to support educators and learners in school through the *Food – a fact of life* education programme and engages with a number of external partners. Also, throughout the year the Foundation produces a range of publications and materials of interest to a wide spectrum of people. In some cases these are the outputs of projects funded by the UK government, the EU or other charitable organisations. Furthermore, the Foundation's websites, www.nutrition.org.uk and www.foodafactoflife.org.uk, disseminate a great deal of up-to-date and free information to those requiring it, using a variety of media. Therefore, activities conform to Charity Commission guidance and Section 17 of the Charities Act 2011.

RISK ASSESSMENT

The major strategic business and operational risks to which the charity is exposed, as identified by the Trustees, have been reviewed during the year and systems have been put in place to mitigate any newly identified risks.

ACHIEVEMENTS AND PERFORMANCE

The key strategic objectives and associated measures of success established for the year 2012-13 were:

Strategic Objectives and associated Measures of Success

Nutrition Science: To promote and be recognised for the highest standards in the collation, evaluation, interpretation and dissemination of scientific information concerning nutrition, diet and lifestyle. To produce task force reports and reviews on key nutrition issues and to create innovative targeted information for external dissemination that is accurate, consistent and meaningful to the intended audience. To use the insight gained from this work to advise, influence, inspire and support government and its policy development, the food industry and key opinion leaders including journalists.

- Develop activities around the topic of behaviour change, including a conference event and a published discussion paper on the topic
- Publish and publicise the new Task Force report on developmental programming
- Continue the rolling programme of science resources
- Meet the milestones and deliverables for current EC projects and continue to seek opportunities to be involved in future bids
- Continue to seek opportunities for project work with member companies and other organisations including government and the European Commission

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Education: To inspire, develop and support excellence in all aspects of food and nutrition education (with reference to lifestyle, especially physical activity) in schools and elsewhere, and principally to be taking the lead for independent and accurate information on 'food and nutrition in schools'

- Further update the *Food – a fact of life* website offer, providing tailored content for a range of teaching and learning needs
- Continue to seek opportunities for project work with member companies and other organisations

External communications: To be a primary and respected 'one-stop-shop' for those seeking evidence-based, reliable and clearly presented information on nutrition, diet, food education and other aspects of a healthy lifestyle, using a range of media that meet the needs of our full spectrum of stakeholders, including the public

- Continue the update/review of the main BNF website and the continuous promotion of *Food – a fact of life* through BNF's education channels, key education publications and national conferences
- Deliver a programme of communications activities to promote BNF's nutrition science resources and activities.

Strategic partnerships: To inspire, seek and develop exemplary collaborations with individuals and organisations who share our priorities but also those with different agendas, in order to extend our influence, facilitate change and add value to our activities

- Foster, review and develop established and newer partnerships and collaborations, including those with our members
- Initiate new partnerships and associated income streams as appropriate
- Utilise the Drummond Fund (more information is available on page 20) to extend the reach of current BNF activities and our profile and to add value to our existing work
- Review opportunities afforded by BNF Day and existing awards
- Continue to extend influence in Europe
- Continue to bid for EU projects with leading research and education establishments across Europe
- Enhance relationships with professional teacher subject associations
- Build on and maximise the partnership with the IT provider for our online training courses and maximise opportunities to work on projects in close partnership with member companies, government and other like-minded organisations

Finance: To review and strengthen our membership and retention strategies, and explore new funding streams To secure a wide funding base that enables forward planning and protects BNF at times of market instability

- Secure funding and achieve a surplus to projected income and savings to budgeted expenditure

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Report of the Board of Trustees as at 31st May 2013

- Maintain robust financial procedures, including forecasting (cash flow, income and expenditure)
- Further enhance financial reporting internally and to the Trustees, and continue to provide financial support to the Education and Science Programme Managers

Support and value the BNF team: To provide appropriate remuneration and a benefits package that attracts and retains the highest calibre of staff To integrate this with a lifelong learning approach to professional development To make the most of the wealth of experience and skills represented within our governance structure

- Maintain the Staff Handbook and keep staff updated on changes to employment and pension law Provide media training for staff as required Involve staff through office meetings and programme meetings Review staff contracts of employment
- Review induction process for Governors and Trustees and better utilise the wealth of experience that exists amongst our Governors
- Review Memorandum and Articles of Association to ensure compliance with legislation

Summary of achievements

Work on each of the themes itemised under the strategic objectives listed in the previous section took place as planned The Foundation held a conference in June 2012 entitled *Behaviour change in relation to healthier lifestyles* and subsequently published a themed issue of *Nutrition Bulletin* on this topic in March 2013 The Task Force Report, *Nutrition and Development. Short and Long term Consequences for Health* was launched at a conference in May 2013 alongside a programme of communications and dissemination activities directed at women of childbearing age and the health professionals that interact with them The launch received widespread mainstream media coverage on television, in print and online and important messages were also communicated through both the health professional and food industry media The Foundation has also continued to publish its newsletter *BNF News* twice a year and its journal *Nutrition Bulletin* quarterly, as well as providing members with a quarterly horizon scanning update New project work undertaken during the year included a review on the role of fish and seafood in the diet and the development of food-based model for 1-3 year olds for use by consumers and health professionals with their clients The Foundation also produced an e-learning training module for the Royal College of Midwives on nutrition in pregnancy, which received excellent feedback.

The EU-funded projects ProSafeBeef and EuroFIR ended in December 2012 and March 2013 respectively and work continued as planned on the CommFabNet project The Foundation was also involved in a successful bid for a four-year EU project entitled BACCHUS, which is co-ordinated by the Institute for Food Research and began in October 2012 The Foundation also continued to play a role in dissemination and stakeholder engagement in the UK Foodcomp project, funded by the Department of Health A podcast on the topic of low calorie sweeteners was produced and launched and information on the topic was posted on the BNF website www.nutrition.org.uk

The *Food – a fact of life* website was updated during the year, providing resources to support pre-, primary and secondary school-aged children and young people The Foundation continued to provide resources via a range of platforms, including interactive activities, eSeminars, videos and lesson ideas to support high quality teaching and learning In addition, the Foundation successfully worked with a number of members and other organisations to ensure the accuracy of educational initiatives This work included support for breakfast clubs, dairy farmers receiving school visits, a diet and activity intervention school lunches, continuing professional development for teachers and classroom

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visitors A considerable amount of work was also undertaken in preparing for the launch of *Healthy Eating Week*, over 2200 schools had registered by May 2013, free resources were developed to help support schools during the week and longer-term and a pupils' survey was completed by 27,500 children

In relation to external communications, in addition to the conference on behaviour change and the conference to launch the Task Force report mentioned above, we held our annual education conferences in Scotland and the Foundation also continued communications to schools via two printed newsletters and monthly email updates Staff also attended a range of education conferences and exhibitions to engage with teachers and gave numerous presentations on various aspects of nutrition science at a wide variety of venues, including universities, conferences and nutrition shows

The Foundation also continued to promote its new website section Nutrition4baby on nutrition and pregnancy A forum for member companies was convened to discuss ways of enhancing communication of the messages conveyed by the Department of Health's Eatwell Plate on dietary balance to different stakeholder groups The Foundation's website working group continued to review the content, structure and function of the site and established a user panel to provide feedback The Director General has attended meetings of the Food Research Partnership and associated workshops, has engaged with the Department of Health on a number of different issues, including the Responsibility Deal and food regulation activities, and is a core group member of a project established to determine priority research questions for the UK Food System, which forms part of the UK Global Food Security Programme Meetings have also been held with other government departments, in particular the Department for Education, and with other key stakeholders In terms of extending our influence overseas, the Foundation's Education Programme Manager has been appointed Chair of the Education Committee for the International Federation of Home Economics and the Foundation continues to co-ordinate the European Nutrition Foundations Network The Foundation has also carried out work on reviewing and enhancing membership benefits.

Work continued on the Foundation's online training programme, the first course received excellent feedback and work was virtually completed on a second, more advanced course, work also began on a new catering course With regard to the Drummond Memorial Fund, the Board of Trustees agreed an initial five-year implementation plan for a series of BNF activities designed to support and encourage young people as they develop careers in nutrition These activities include a series of internships for new graduates, annual pump-priming research grants for newly-appointed university lecturers and research fellows, a series of awards recognising excellence in the communication of nutrition science and support for the existing GCSE/Standard Grade and A Level/Advanced Higher awards

The Financial Procedures document was reviewed and work continued on tightening up internal financial procedures, including quarterly forecasts of the year-end position, and reporting to the Senior Management Team and the Board of Trustees The system of communication with member companies regarding their subscription and donation renewals was also reviewed and improved

The Staff Handbook and staff contracts of employment were reviewed as planned, as was the induction process for new Governors and Trustees Staff continued to be involved through office meetings and to be updated on employment and pension law as required BNF continues to provide flexible working arrangements for staff The Memorandum and Articles of Association were reviewed and an amendment was made to the Articles of Association regarding Trustee tenure, as mentioned in the *Constitution* section above

In addition to the items outlined above, the Foundation also moved office in November 2012 The relocation went smoothly and the new office is equipped with greatly-improved facilities, feedback on the new premises from our staff and visitors has been overwhelmingly positive

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Report of the Board of Trustees as at 31st May 2013

Work also began on the new BNF Strategy, which will run from 2013 to 2018 and which will ensure relevance of messaging and reaffirm the core areas of our work. This, along with the relocation, was a major area of work for the senior management, and our Governors, Trustees, Members and staff have all been involved in the consultation process. More information from the Strategy is included within the 'Business Objectives' section below and the Strategy will be finalised in the 2013-14 Financial Year.

FINANCIAL REVIEW

General

The Foundation's year-end closed with a deficit of £ 6431 against a budgeted deficit of £12,979, an improvement of £6548.

Reserves

The Trustees have reviewed the reserves and agreed that a general reserve level of £550,000 should be maintained to allow cover for the cost of closure and limited running for six months. The Foundation's general reserves at 31st May 2013 were £579,184. During the coming financial year, as part of the annual review, Trustees will again consider the Reserves Policy in light of the current economic climate.

Internal Controls

The Board of Trustees reviews the management accounts at each meeting. The Foundation has a written financial policy that sets out internal controls to counter the risk of fraudulent or inappropriate use of funds. The accounts are audited at the end of the year by registered auditors.

Budgets

Detailed annual budgets are prepared each year and approved by the Board of Trustees. For each meeting of the Board, financial statements are prepared which show the budgeted expenditure on a month by month basis, against the actual expenditure. Forecasts of the year-end position will be prepared on a quarterly basis, starting Quarter 1 2012-13.

The Board of Trustees also regularly reviews the Investment Policy. The Trustees' policy is to invest in an appropriate mix of assets to help mitigate risk of volatility of returns. The investment objectives are to maintain the capital value of the Foundation's assets in real terms (measured by the Retail Price Index) over the long term and to obtain a reasonable balance between capital growth and income.

The Future Operation of the Foundation

The Board of Trustees has reviewed the financial position of the Foundation and is satisfied that the Foundation is able to continue to operate for the foreseeable future.

FUTURE PLANS

The Board of Trustees agreed the following objectives, which are in accord with the 5-year strategic plan, for the financial year commencing 1st June 2013.

BUSINESS OBJECTIVES 2013/14

In line with the revisions to the Foundation's strategy for 2013-18 that has been a theme of the work of the management team, Council and Trustees over the past year, new strategic objectives have been set for core and supporting activities, as indicated below. The overarching objectives are:

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Report of the Board of Trustees as at 31st May 2013

- 1 Work in partnership with academia, educators, government and industry to deliver BNF's aims, vision and charitable objectives
- 2 Deliver and widely communicate high quality profile-raising information, resources and activities for the ultimate benefit of public health
- 3 Ensure a sound infrastructure (staff, facilities, governance and funding) to facilitate and support BNF's activities

Core activities

Nutrition Science

Strategic Objective: Communicate with health professionals, industry and journalists to provide easily accessible, evidence-based information and training on food, nutrition and healthy lifestyles for public health benefit

Focus for 2013/14: Promote the Task Force report on developmental programming via a programme of communication and dissemination activities, develop activities on the theme of getting back to basics with healthy eating, continue to develop, update and produce new content for the website (www.nutrition.org.uk); engage with advisory committees (SAC/ISC and EAB) to identify important topics for BNF's rolling programme of nutrition science resources and training activities (e.g. mini conferences)

Education

Strategic Objective: Provide educators with up to date, curriculum compliant resources and training to support the rapidly changing needs of the 21st century learner

Focus for 2013/14: Continue to develop, update and promote the *Food – a fact of life* website, establish *Healthy Eating Week* as an annual event, engage with regional Education Working Groups to ensure the integrity of BNF's education programme, provide opportunities for teachers to develop their knowledge and teaching, and conduct a survey with teachers about BNF's education programme

Supporting activities

People and facilities:

Strategic Objective: Develop highly trained and motivated staff, and ensure strong governance and appropriate facilities are in place to support BNF's charitable activities

Focus for 2013/14: Undertake a skills audit to ensure that BNF has staff with the necessary skills to progress the strategic objectives. Conduct an audit to ensure the sustainability and resilience of BNF's governance

Funding and finance:

Strategic Objective: Sustain financial security to support and advance BNF's charitable activities

Focus for 2013/14: Explore new income streams and continue to seek funds and partnerships that help support BNF's charitable objectives, review and communicate membership benefits, ensuring they remain relevant and engaging, maintain clear financial reporting and procedures, and effective cost control

The British Nutrition Foundation Report of the Board of Trustees as at 31st May 2013

The Directors present the financial statements, which have been prepared in accordance with the SORP (Revised 2005) and the Companies Act 2006

Statement of Trustees' Responsibilities

The trustees (who are also directors of The British Nutrition Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

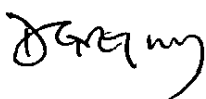
In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditors

Kingston Smith LLP have expressed their willingness to remain in office as auditors of the charitable company

This report was approved by the Board of Trustees on 23rd July 2013 and signed on its behalf by:



D Gregory
Chairman

The British Nutrition Foundation (Limited by Guarantee)

We have audited the financial statements of The British Nutrition Foundation for the year ended 31 May 2013 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken for no purpose other than to draw to the attention of the charitable company's trustees and members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and the charitable company's trustees and members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditors under section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustees Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 May 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended, and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Opinion on other matters prescribed by the Companies Act

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

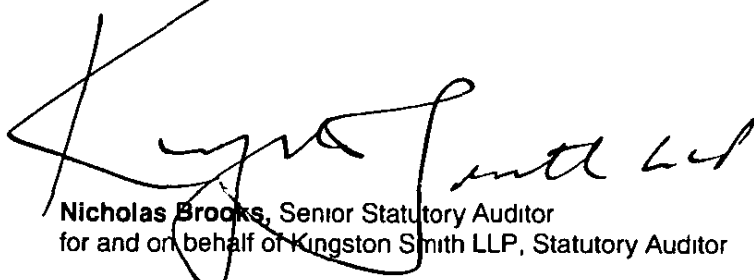
The British Nutrition Foundation

Auditor's Report for the year ended 31 May 2013

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remunerations specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Nicholas Brooks, Senior Statutory Auditor
for and on behalf of Kingston Smith LLP, Statutory Auditor

Date **29/8/13**

Devonshire House
60 Goswell Road
London EC1M 7AD

Kingston Smith LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The British Nutrition Foundation
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Statement of Financial Activities
(incorporating the Income and Expenditure Account)
For the year ended 31 May 2013

	Note	Unrestricted Funds 2013 £	Restricted Funds 2013 £	Total Funds 2013 £	Total Funds 2012 £
Incoming Resources					
Incoming resources from generated funds					
<i>Voluntary income</i>					
Donations and subscriptions		727,374	-	727,374	800,674
Legacy received		-	-	-	577,170
<i>Activities for generating funds</i>					
Investment income		17,922	-	17,922	13,489
Incoming resources from charitable activities					
<i>Projects</i>		683,717	-	683,717	764,243
<i>Conferences</i>		51,614	-	51,614	34,351
<i>Publications</i>		16,072	-	16,072	17,345
Total Incoming Resources		<u>1,496,699</u>	<u>-</u>	<u>1,496,699</u>	<u>2,207,272</u>
Resources Expended					
Costs of generating funds					
<i>Costs of generating voluntary income</i>		144,651	-	144,651	138,251
Charitable activities	3	1,288,483	-	1,288,483	1,366,263
Governance costs	4	<u>69,996</u>	<u>-</u>	<u>69,996</u>	<u>66,780</u>
Total Resources Expended		<u>1,503,130</u>	<u>-</u>	<u>1,503,130</u>	<u>1,571,294</u>
Net (outgoing)/incoming resources before Transfers		(6,431)	-	(6,431)	635,978
Transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Movement in Funds		(6,431)	-	(6,431)	635,978
Total funds brought forward		<u>1,197,180</u>	<u>14,280</u>	<u>1,211,460</u>	<u>575,482</u>
Total Funds Carried Forward		<u>1,190,749</u>	<u>14,280</u>	<u>1,205,029</u>	<u>1,211,460</u>

The notes on pages 16 to 21 form part of these accounts

All of the operations of the Foundation are continuing

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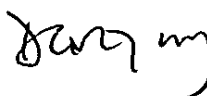
Balance Sheet as at 31 May 2013

	Note	2013 £	2013 £	2012 £	2012 £
Fixed Assets					
Tangible assets	7		13,162		7,401
Current Assets					
Debtors					
Prepayments and accrued income		64,255		49,555	
Other debtors		<u>137,307</u>		<u>111,456</u>	
		201,562		161,011	
Cash at bank and in hand		<u>1,318,382</u>		<u>1,398,763</u>	
		<u>1,519,944</u>		<u>1,559,774</u>	
Creditors					
Taxation and social security payable		34,992		29,545	
Accruals and deferred income	8	238,373		175,630	
Other creditors		<u>54,712</u>		<u>80,539</u>	
		<u>328,077</u>		<u>285,714</u>	
Net Current Assets			1,191,867		1,274,060
Provisions for liabilities & charges					
Dilapidations	8 a		-		(70,000)
Net Assets			<u>1,205,029</u>		<u>1,211,460</u>
Capital and Reserves					
Restricted funds	9		14,280		14,280
Unrestricted funds					
Designated funds	10		611,565		652,257
General funds	11		<u>579,184</u>		<u>544,923</u>
Total Funds Carried Forward			<u>1,205,029</u>		<u>1,211,460</u>


The financial statements on pages 16 to 21 were approved and authorised for issue by the Council on 23rd July 2013 and signed on its behalf by

COMPANIES HOUSE NO.: 898651

Chairman of the Board of Trustees

 - D GREGORY

Governor

 - M COLLYER

The British Nutrition Foundation (Limited by Guarantee)

Notes to the Accounts For the year ended 31 May 2013

1 Accounting Policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. In particular, these financial statements have been drawn up in accordance with the Statement of Recommended Practice 2005 (Revised SORP) 'Accounting and reporting by Charities'. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. All incoming and outgoing resources are dealt with on the accruals basis unless otherwise stated below.

Income

Income from member companies (including annual subscriptions) is accounted for on a receivable basis, but on a received basis in the case of donations. Income received from the sale of education packs is accounted for on a received basis. Government grants are accounted for on a receivable basis.

Expenditure Allocation

The directors have allocated office costs on the basis of the amount of time spent by each member of staff in each of the six areas of activity of the Foundation. Staff costs have been similarly apportioned.

Governance Costs

Governance costs relate to the direct costs associated with the constitutional and statutory requirements of the Foundation and include the costs of external audit, secretariat and other constitutional related costs.

Depreciation of Fixed Assets

Depreciation is provided on fixed assets on the straight line method at the following rates:

Fixtures and fittings	20% p a
Computers and ancillary equipment	33.33% p a

Items of expenditure which provide enduring benefit to the Foundation are capitalised as assets if the cost (net of VAT) is more than £500. Expenditure of less than this amount is expensed through the Statement of Financial Activities.

Operating Leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

Publications

It is the Foundation's policy not to include as stock the by-products from projects as the use of these is uncertain. When sales are made they are included in the SOFA on a receipts basis. The costs of the Foundation's publications and education material are written off in the year in which they are incurred.

Prizes

Prizes are accounted for when paid.

The British Nutrition Foundation (Limited by Guarantee)

Notes to the Accounts For the year ended 31 May 2013

Pension Scheme Arrangements

The Foundation provides a percentage of employees' salaries which is paid into personal pension plans on behalf of employees. The percentage paid ranges from 4% to 12% of basic salary and is accounted for on an accruals basis.

Funds

Unrestricted Funds - These are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Restricted Funds - These are funds which are to be used for specific purposes as laid down by the donor.

Foreign Currencies

Transactions in foreign currencies are recognised at the rate of exchange at the date of the transaction. Monetary assets and liabilities are translated into sterling at the exchange rate on the balance sheet date. Exchange differences are recognized through the statement of financial activities.

2 Allocation of Support Costs and Overheads

The breakdown of support costs and how these were allocated between Governance and Charitable Activities is shown below. Costs are allocated on the basis of staff time.

	Total Allocated £	Governance £	Fundraising £	Charitable Activities £
Staff costs	950,681	55,906	66,162	828,613
General office costs (including dilapidations)	241,743	8,346	18,804	214,593
Depreciation	8,595	344	344	7,907
External audit	5,400	5,400	-	-
	1,206,419	69,996	85,310	1,051,113

3. Charitable Activities

	Direct Costs £	Support Costs £	Total 2013 £	Total 2012 £
Projects (including Task Forces)	186,554	502,561	689,115	777,739
Science and Education services	34,519	504,763	539,282	543,229
Publications	182	31,646	31,828	28,157
Prizes and Awards	16,115	12,143	28,258	17,138
	237,370	1,051,113	1,288,483	1,366,263

4 Governance Costs

	2013 £	2012 £
Salaries and office costs	54,327	47,817
Legal and professional	10,269	12,663
Audit fees – Current year	6,000	6,300
- Prior year overprovision	(600)	-
	69,996	66,780

**The British Nutrition Foundation
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**Notes to the Accounts
For the year ended 31 May 2013**

5 Staff Costs

	2013	2012
	£	£
Wages and salaries	752,864	737,376
Social security costs	84,941	78,616
Pension costs	86,276	64,871
Other costs	26,600	23,296
	<u>950,681</u>	<u>904,159</u>

This includes the remuneration of interns of £10,879 and employer's NI of £600

(a) No emoluments are received by any member of the Council. The Foundation employed an average of 19 employees: Admin team-2, Education team-5, Science team-11, Director General-1 (2012: 19 as per 2013 classification), 3 interns during the year (2012: 0)

The number of employees whose emoluments exceeded £60,000 were

	2013 No.	2012 No.
£60,000 - £70,000	1	-
£90,000 - £100,000	1	1

Pension contributions to the above individuals amounted to £18,812 (2012: £11,714)

(b) A total of £4,127 (2012: £3,424) relating to travel expenditure was reimbursed to 9 trustees during the year (2012: 6)

6. Taxation

No taxation liability arises on the income of the Foundation as it is a registered charity

7. Fixed Assets

	Assets Existing at 1 June 1993 £	Furniture and Fittings £	Computers and ancillary Equipment £	Total 2013 £
Cost				
At 1 June 2012	1,500	24,681	59,377	85,558
Additions	<u>-</u>	<u>907</u>	<u>13,448</u>	<u>14,355</u>
At 31 May 2013	<u>1,500</u>	<u>25,588</u>	<u>72,825</u>	<u>99,913</u>
Depreciation				
At 1 June 2012	1,500	24,128	52,529	78,157
Charge for the year	<u>-</u>	<u>509</u>	<u>8,085</u>	<u>8,594</u>
At 31 May 2013	<u>1,500</u>	<u>24,637</u>	<u>60,614</u>	<u>86,751</u>
Net Book Value				
At 31 May 2013	<u>-</u>	<u>951</u>	<u>12,211</u>	<u>13,162</u>
At 31 May 2012	<u>-</u>	<u>553</u>	<u>6,848</u>	<u>7,401</u>

**The British Nutrition Foundation
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**Notes to the Accounts
For the year ended 31 May 2013**

8 Deferred Income

	2013 £	2012 £
Deferred income at 1 June 2012	122,212	384,409
Project income received in advance of completion of work	152,747	122,212
Amounts released to the accounts	<u>(122,212)</u>	<u>(384,409)</u>
Deferred income at 31 May 2013	152,747	122,212
Accruals	41,657	53,418
Rent provision	43,969	-
	<u>238,373</u>	<u>175,630</u>

8a. Dilapidation provision

	2013 £	2012 £
This has been provided to discharge BNF's dilapidations liabilities in relation to the office space that is currently leased and includes repairs to the landlord's fittings, re-carpeting, redecorating and removing all of the tenant's fixtures and fittings	<u>-</u>	<u>70,000</u>
An amount of £58,912 was spent during the year and the balance of £11,088 was reversed in the accounts		

9. Restricted Funds

	Balance As at 1 June 2012 £	Incoming Resources £	Outgoing Resources £	Transfer From/(to) Unrestricted Funds £	Balance As at 31 May 2013 £
A-Level Fd Tech Prize	8,322	-	-	-	8,322
BNF GCSE Fund	5,958	-	-	-	5,958
	<u>14,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,280</u>

The restricted funds are prize schemes. These are schemes awarding prizes to applicants who are undertaking nutrition-related projects or have been studying nutrition-related subjects at school. They are funded by donations from member companies and others.

**The British Nutrition Foundation
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**Notes to the Accounts
For the year ended 31 May 2013**

10 Designated Funds

	Balance As at 1 June 2012 £	Incoming Resources £	Outgoing Resources £	Transfer From Unrestricted Funds £	Balance As at 31 May 2013 £
Website and software fund	13,042	-	(10,598)	-	2,444
Conference fund	12,045	-	-	-	12,045
Strategic contingency fund	50,000	-	-	-	50,000
Drummond fund	<u>577,170</u>	<u>12,500</u>	<u>(42,594)</u>	<u>-</u>	<u>547,076</u>
	<u>652,257</u>	<u>12,500</u>	<u>(53,192)</u>	<u>-</u>	<u>611,565</u>

The website and software designated fund represents monies set aside by the Trustees to be used to support the purchase of an accounts package and for the development of a new website

The Conference fund represents a surplus from conference activities, to be re-invested in future conferences

The Strategic contingency fund is for the Director General to access for use on carefully considered projects, such as those that would help the Foundation increase its impact, profile or capacity

The Foundation has taken over management of the Drummond Memorial Fund which will be utilised to extend the reach of current BNF activities to support and encourage young people in their career development in nutrition and to add value to our existing work GCSE and A-Level awards, internships, nutrition related on-line training etc and profile

11. Analysis of Net Assets between Funds

	Tangible Fixed Assets	Current Assets £	Total £
Restricted funds	-	14,280	14,280
Unrestricted funds			
Designated funds	-	611,565	611,565
General funds	<u>13,162</u>	<u>566,022</u>	<u>579,184</u>
	<u>13,162</u>	<u>1,191,867</u>	<u>1,205,029</u>

12. Capital

The Foundation is limited by guarantee. In the event of a winding up of the Foundation the members' liability is restricted to contributing an amount not exceeding £5 each. At 31 May 2013 there were 41 members (2012: 44 members)

The British Nutrition Foundation
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Notes to the Accounts
For the year ended 31 May 2013

13 Operating Leases

The charity's annual commitments under operating leases as at 31 May 2013 were as follows

	2013		2012	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Expiring within				
The first year	-	-	56,976	-
The second to fifth year	<u>131,181</u>	<u>19,545</u>	<u>-</u>	<u>19,528</u>

The charity is also committed to paying service charges under the terms of the property lease
These charges are capped under the terms of the property lease

The amount charged this year in respect of the leases was £115,613 (2012 £114,302)